

1 UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 *****

5 IN RE: NATIONAL MDL No. 2804
6 PRESCRIPTION OPIATE
LITIGATION Case No.
1:17-MD-2804

7 *****

8 APPLIES TO ALL CASES Hon. Dan A. Polster

9 *****

10
11 HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
12 CONFIDENTIALITY REVIEW
13 VIDEOTAPED DEPOSITION OF JOSEPH GANLEY

14
15 Friday, July 27th, 2018
16 9:04 a.m.

17
18 Held At:
19 Liberty Hotel
20 215 Charles Street
21 Boston, Massachusetts

22
23
24 REPORTED BY:
25 Maureen O'Connor Pollard, RMR, CLR, CSR

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<p style="text-align: right;">Page 10</p> <p>1 behalf of Endo Health Solutions, Endo 2 Pharmaceuticals, Par Pharmaceuticals. 3 MR. RICARD: Paul Ricard on behalf of 4 Prescription Supply, Inc. 5 MS. MCCLURE: Shannon McClure on 6 behalf of AmerisourceBergen Drug Corporation. 7 MR. LIVINGSTON: Scott Livingston, 8 Marcus & Shapira, on behalf of HBC. 9 MR. PETER MERRIGAN: Peter Merrigan on 10 behalf of the plaintiffs, PEC. 11 MR. TUCKER MERRIGAN: Tucker Merrigan 12 on behalf of the plaintiffs, PEC. 13 MR. MONAHAN: Matthew Monahan on 14 behalf of Cardinal Health. 15 MR. DAVISON: William Davison on 16 behalf of Mallinckrodt LLC and Specgx, LLC. 17 MS. CONWAY: Sarah Conway on behalf of 18 Walmart. 19 THE VIDEOGRAPHER: Counsel on the 20 phone, please identify yourselves. 21 MR. LAVELLE: John Lavelle from Morgan 22 Lewis on behalf of Rite Aid. 23 MS. HOLLY: Pam Holly from Morgan 24 Lewis on behalf of Teva Pharmaceuticals, 25 Cephalon, and certain of the Actavis-acquired</p>	<p style="text-align: right;">Page 12</p> <p>1 A. Since July, 2014. 2 Q. Are you registered as a lobbyist? 3 A. I am. 4 Q. For how long have you been registered 5 as a lobbyist? 6 A. I'm not sure. I assume from July, 7 2014 when I took that role. 8 Q. Do you work in any particular division 9 or department? 10 A. I work in the corporate public affairs 11 department. 12 Q. How many other people work in that 13 department for McKesson? 14 A. I have to think about this now. 12, I 15 believe. 16 Q. Okay. Are all 12 of those individuals 17 registered as lobbyists? 18 A. No. 19 Q. About how many are? 20 A. Two are registered as federal 21 lobbyists. There are state lobbyists as well. 22 Q. One of those two being you? 23 A. Yes. 24 Q. Is there a registration required for 25 state lobbying?</p>
<p style="text-align: right;">Page 11</p> <p>1 entities. 2 MS. COVERSTONE: This is Kaitlyn 3 Coverstone from Kirkland & Ellis on behalf of 4 Allergen. 5 MR. AUBEL: Bill Aubel from Jackson 6 Kelly on behalf of Miami-Luken, Inc. 7 THE VIDEOGRAPHER: The court reporter 8 today is Maureen Pollard, and will now swear in 9 the witness. 10 11 JOSEPH GANLEY, 12 having been first duly identified and sworn, was 13 examined and testified as follows: 14 EXAMINATION 15 BY MR. GADDY: 16 Q. State your name, please. 17 A. Joseph Ganley. 18 Q. And are you employed at McKesson 19 Corporation? 20 A. I am. 21 Q. What's your title? 22 A. Vice president of federal government 23 affairs. 24 Q. How long have you been in that 25 position?</p>	<p style="text-align: right;">Page 13</p> <p>1 MS. CHARLES: I'm going to object that 2 it's beyond the scope. 3 A. It varies by state. There's various 4 registration requirements, but it varies by 5 state. But yes, many states require 6 registration. 7 BY MR. GADDY: 8 Q. What are your duties in the position 9 that you currently have? 10 A. I represent the company before the 11 federal government, so the Congress and the 12 Administration. I advocate for the company's 13 public policy positions. I represent the 14 company on trade association boards and 15 committees and industry organizations. I'm 16 responsible for our public policy strategy at 17 the federal level. 18 Q. Okay. Is one of the goals in your 19 position to influence legislation that might 20 impact McKesson? 21 A. Yes. 22 Q. What did you do before that current 23 position? 24 A. I was a director of state government 25 affairs for the northeast region.</p>

<p style="text-align: right;">Page 14</p> <p>1 Q. Also with McKesson?</p> <p>2 A. Yes.</p> <p>3 Q. How long did you do that?</p> <p>4 A. From June of 2011 to July of 2014.</p> <p>5 Q. And what were the differences in that</p> <p>6 position and the position you hold currently?</p> <p>7 A. Just the venue. So I was doing the</p> <p>8 same work advocating on public policy issues,</p> <p>9 but at the state government level, in 14</p> <p>10 northeast states.</p> <p>11 Q. Was there any registration required</p> <p>12 for you to hold that position?</p> <p>13 A. There was not.</p> <p>14 Q. What states did you cover?</p> <p>15 A. I should say -- I should clarify that.</p> <p>16 There wasn't a -- I was not a registered</p> <p>17 lobbyist. We employed outside consultants who</p> <p>18 were registered lobbyists. But I personally did</p> <p>19 not have to register because of the way the</p> <p>20 rules are written.</p> <p>21 Q. Okay. How many lobbyists did you</p> <p>22 employ?</p> <p>23 MS. CHARLES: Objection. Beyond the</p> <p>24 scope.</p> <p>25 A. I don't remember exactly. We had two</p>	<p style="text-align: right;">Page 16</p> <p>1 Q. And Angela Grover was in charge of the</p> <p>2 state lobbying for the Central region from 2011</p> <p>3 to 2014?</p> <p>4 A. Longer than that, but she, I think,</p> <p>5 left the company 2015 maybe, 2016, something</p> <p>6 like that.</p> <p>7 Q. Do you know who preceded Ms. Grover?</p> <p>8 MS. CHARLES: Objection. Beyond the</p> <p>9 scope.</p> <p>10 A. Nobody specifically, because we</p> <p>11 restructured the department. So when we went to</p> <p>12 four state government -- four regions we hired</p> <p>13 Angie to cover the Central region. So prior to</p> <p>14 that we had only two regions, one East and one</p> <p>15 West.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Do you know who would have covered</p> <p>18 Ohio before Ms. Grover?</p> <p>19 MS. CHARLES: Objection. Beyond the</p> <p>20 scope.</p> <p>21 A. I don't.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. What region is West Virginia in?</p> <p>24 A. In the Northeast.</p> <p>25 Q. Okay. So that would have been your</p>
<p style="text-align: right;">Page 15</p> <p>1 or three.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Okay. What states did you cover?</p> <p>4 A. I covered Virginia north to all of New</p> <p>5 England.</p> <p>6 Q. Okay. So you did or did not cover</p> <p>7 Ohio?</p> <p>8 A. I did not.</p> <p>9 Q. Who did cover Ohio?</p> <p>10 MS. CHARLES: Objection. Beyond the</p> <p>11 scope.</p> <p>12 A. It varied. There were different</p> <p>13 people during that time period. So from 2011 to</p> <p>14 2014, it would have been Angela Grover who was</p> <p>15 the state government affairs person for.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Was that a particular region or</p> <p>18 department?</p> <p>19 A. Yes. We divide state government</p> <p>20 affairs into four regions, the Northeast, the</p> <p>21 Central region, the West region, and the South.</p> <p>22 Q. Okay. So Ohio would be in the Central</p> <p>23 region?</p> <p>24 A. Ohio would be in the Central region,</p> <p>25 yes.</p>	<p style="text-align: right;">Page 17</p> <p>1 area?</p> <p>2 A. Correct.</p> <p>3 Q. So you've been at McKesson since 2011?</p> <p>4 A. Yes.</p> <p>5 Q. What field was your employment in</p> <p>6 before that?</p> <p>7 A. I worked at a public affairs firm,</p> <p>8 Weber Shandwick.</p> <p>9 Q. In any prior employment either with</p> <p>10 that firm you just mentioned or any other, have</p> <p>11 you ever done any work in the pharmaceutical</p> <p>12 industry?</p> <p>13 MS. CHARLES: Objection to form.</p> <p>14 A. Yes. I mean, when I was at Weber we</p> <p>15 represented pharmaceutical companies.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Okay. Did you ever represent</p> <p>18 McKesson?</p> <p>19 A. No.</p> <p>20 Q. Did you ever represent Cardinal</p> <p>21 Health?</p> <p>22 A. No.</p> <p>23 Q. AmerisourceBergen?</p> <p>24 A. No.</p> <p>25 Q. CVS?</p>

<p style="text-align: right;">Page 18</p> <p>1 A. Yes.</p> <p>2 Q. Walgreens?</p> <p>3 A. No.</p> <p>4 Q. Prior to your work at McKesson, had</p> <p>5 you ever had any experience in the drug supply</p> <p>6 chain?</p> <p>7 MS. CHARLES: Objection. Form.</p> <p>8 A. I'm not sure I know what you mean by</p> <p>9 "experience in the drug supply chain."</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Let me ask it this way.</p> <p>12 Prior to your employment at McKesson,</p> <p>13 had you ever had any interaction with or</p> <p>14 participation in HDA or HDMA?</p> <p>15 A. No.</p> <p>16 Q. You've been designated by McKesson on</p> <p>17 two topics today.</p> <p>18 I'm going to show you what's been</p> <p>19 marked as -- we'll call it Ganley 1.</p> <p>20 (Whereupon, McKesson-Ganley-001 was</p> <p>21 marked for identification.)</p> <p>22 BY MR. GADDY:</p> <p>23 Q. If you don't mind, turn to Page 8,</p> <p>24 looking at the numbers on the bottom of the</p> <p>25 page. You've been designated on topics numbers</p>	<p style="text-align: right;">Page 20</p> <p>1 I mean, there was a whole binder full of</p> <p>2 documents.</p> <p>3 Q. Any in particular that you recall?</p> <p>4 A. Yeah. I mean, there were e-mails,</p> <p>5 agendas, there were -- I believe there were</p> <p>6 documents you all indicated you were going to</p> <p>7 ask about.</p> <p>8 Q. So you had the opportunity to review</p> <p>9 those?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. So that would -- I assume what</p> <p>12 you're referring to there are documents that</p> <p>13 were produced by other defendants?</p> <p>14 A. I believe they were produced by</p> <p>15 McKesson and other defendants, yes.</p> <p>16 Q. Okay. And you had the opportunity to</p> <p>17 review the documents that were produced by other</p> <p>18 defendants that we had to get permission to use</p> <p>19 in this deposition?</p> <p>20 A. Yes.</p> <p>21 Q. Does McKesson belong to or participate</p> <p>22 in any trade associations or organizations?</p> <p>23 A. Yes.</p> <p>24 Q. And would one of those be the HDA or</p> <p>25 HDMA?</p>
<p style="text-align: right;">Page 19</p> <p>1 12 and 13. Is that your understanding?</p> <p>2 A. Mm-hmm. Yes.</p> <p>3 Q. And the first topic is your, meaning</p> <p>4 McKesson's, participation, relationship or</p> <p>5 association with any trade organization,</p> <p>6 including, but not limited to, HDA, and its</p> <p>7 predecessors, the NACDS and its predecessors,</p> <p>8 and also PhRMA.</p> <p>9 Do you see that?</p> <p>10 A. Yes.</p> <p>11 MS. CHARLES: I think you added a</p> <p>12 predecessors in there.</p> <p>13 MR. GADDY: I did, when talking NACDS.</p> <p>14 Thank you.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Are you the person at McKesson who is</p> <p>17 most knowledgeable to testify about that topic?</p> <p>18 A. Yes.</p> <p>19 Q. What did you do to prepare to testify</p> <p>20 on that particular topic?</p> <p>21 A. I reviewed information with counsel.</p> <p>22 Q. Did you review any documents?</p> <p>23 A. Yes.</p> <p>24 Q. What did you review?</p> <p>25 A. A number of documents. I don't know.</p>	<p style="text-align: right;">Page 21</p> <p>1 A. Yes.</p> <p>2 Q. I've used those terms interchangeably.</p> <p>3 Are those the same organization?</p> <p>4 A. Yes.</p> <p>5 Q. What's your understanding of when and</p> <p>6 how the name changed?</p> <p>7 MS. CHARLES: Objection to form.</p> <p>8 A. They rebranded. They decided that</p> <p>9 Health Distribution Management Association was</p> <p>10 unclear, and so they decided to rename</p> <p>11 themselves a year and a half ago or so, two</p> <p>12 years ago.</p> <p>13 Q. Was there any substantive change</p> <p>14 within the organization as a result of that</p> <p>15 rebranding?</p> <p>16 MS. CHARLES: Objection. Beyond the</p> <p>17 scope.</p> <p>18 A. No.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. Did the members that they represent</p> <p>21 change in any form or fashion from your</p> <p>22 participation within the organization?</p> <p>23 MS. CHARLES: Objection. Beyond the</p> <p>24 scope.</p> <p>25 A. I don't believe so, but I don't -- you</p>

<p style="text-align: right;">Page 22</p> <p>1 know, presumably new members come in 2 occasionally. I don't know. So, I mean, the 3 scope of their membership didn't change, but 4 individual members may have come and gone, or 5 merged, or been acquired, or whatever. 6 BY MR. GADDY: 7 Q. What is that organization? 8 MS. CHARLES: Objection. Form, beyond 9 the scope. 10 A. HDA is a trade association that 11 represents pharmaceutical wholesale 12 distributors. 13 BY MR. GADDY: 14 Q. Do you know any wholesale distributors 15 that it represents in addition to McKesson? 16 A. Yes. 17 Q. Can you tell us? 18 A. AmerisourceBergen, Cardinal Health, 19 H.D. Smith, Burlington Drug. I don't -- there's 20 probably other regional distributors, but I 21 couldn't give you all the names. I don't know 22 all of them. 23 Q. And those are all companies that 24 perform the same job function, is that correct? 25 MS. CHARLES: Objection. Beyond the</p>	<p style="text-align: right;">Page 24</p> <p>1 Q. From your understanding, or McKesson's 2 understanding of participation within HDA, is 3 the same true for the other drug wholesalers 4 that you mentioned, such as Cardinal Health and 5 AmerisourceBergen? 6 MS. CHARLES: Objection. Beyond the 7 scope. 8 A. I don't know the answer as to when 9 they joined. 10 BY MR. GADDY: 11 Q. Have each of those companies been 12 members as long as you've been with McKesson? 13 MS. CHARLES: Objection. Form, beyond 14 the scope. 15 A. Yes. 16 BY MR. GADDY: 17 Q. I'm going to show you what I'm going 18 to mark as Ganley 2. 19 (Whereupon, McKesson-Ganley-002 was 20 marked for identification.) 21 BY MR. GADDY: 22 Q. Have you seen this document before? 23 A. Yes. 24 Q. When did you have the opportunity to 25 see this?</p>
<p style="text-align: right;">Page 23</p> <p>1 scope. 2 A. Generally speaking, yes. 3 BY MR. GADDY: 4 Q. Those are all companies that have 5 common goals and common purposes? 6 MS. CHARLES: Objection. Beyond the 7 scope, form. 8 A. I couldn't speak to -- I couldn't 9 speak to the goals or purposes of our 10 competitors, but -- 11 MS. MCCLURE: Jeff, just to clarify 12 the record, we have an understanding, correct, 13 that an objection for one serves as an objection 14 for all so we don't need to hear from over here? 15 MR. GADDY: Of course. 16 BY MR. GADDY: 17 Q. How long has McKesson been a member of 18 the HDA? 19 A. Many years. Many decades. I don't 20 know exactly when we first became a member. And 21 HDA was at some point kind of reconstituted, had 22 fallen into kind of -- it was going through some 23 difficult times and it was reconstituted, new 24 leadership was brought in. But more than 25 20 years certainly.</p>	<p style="text-align: right;">Page 25</p> <p>1 A. When preparing for this deposition. 2 Q. And do you recognize this to be a 3 November 20th, 2006 e-mail from an employee of 4 HDMA? 5 A. Yes. 6 Q. And if you look down, do you see that 7 the subject of this e-mail is "HDMA - Two items 8 for today's call"? 9 A. Yes, I do. 10 Q. Is that something that's common within 11 HDA, to have weekly or biweekly calls amongst 12 members, or members of different committees? 13 MS. CHARLES: Objection. Form. 14 A. Yes. 15 BY MR. GADDY: 16 Q. And if you look at the -- there were 17 quite a number of recipients on this e-mail, 18 correct? 19 MS. CHARLES: Objection. Form. 20 A. Yes. 21 BY MR. GADDY: 22 Q. And do you see the first recipient to 23 that e-mail was a McKesson employee? 24 A. Yes. 25 Q. The second recipient of that e-mail</p>

<p style="text-align: right;">Page 26</p> <p>1 was a Henry Schein employee?</p> <p>2 A. Yes.</p> <p>3 Q. If you go down to the next line, you</p> <p>4 see there was a recipient from Miami-Luken?</p> <p>5 A. Yes.</p> <p>6 Q. And below that, there was a recipient</p> <p>7 from Cardinal Health?</p> <p>8 A. Yes.</p> <p>9 Q. And if you go directly below that, you</p> <p>10 see there was a recipient from</p> <p>11 AmerisourceBergen?</p> <p>12 A. Yes.</p> <p>13 Q. Is it safe to assume that, in fact,</p> <p>14 these individuals who were receiving this</p> <p>15 correspondence from HDMA, that all of these</p> <p>16 companies were members of HDMA at the time that</p> <p>17 this e-mail was sent?</p> <p>18 MS. CHARLES: Objection. Form.</p> <p>19 A. Yes.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. You have no reason to dispute that all</p> <p>22 these companies were members of HDMA going back</p> <p>23 to 2006 at least?</p> <p>24 A. I have no reason to dispute that.</p> <p>25 MS. MCCLURE: Objection.</p>	<p style="text-align: right;">Page 28</p> <p>1 at the bottom of the page?</p> <p>2 A. Yes.</p> <p>3 Q. And you recognize that as being the</p> <p>4 web address for the HDA's website?</p> <p>5 A. Yes.</p> <p>6 Q. And if you look at the top left-hand</p> <p>7 corner of the page, we see the logo of the HDA,</p> <p>8 correct?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. And the title of this page</p> <p>11 looks to be "Distributor."</p> <p>12 Do you see that?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. And down towards the bottom of</p> <p>15 the page it says that the "HDA has 36</p> <p>16 distributor members."</p> <p>17 Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. Does that number sound accurate to</p> <p>20 you?</p> <p>21 MS. CHARLES: Objection. Beyond the</p> <p>22 scope.</p> <p>23 A. Yes.</p> <p>24 MS. MCCLURE: Objection. Form.</p> <p>25 BY MR. GADDY:</p>
<p style="text-align: right;">Page 27</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Is it your expectation they were</p> <p>3 members going back farther than that?</p> <p>4 MS. CHARLES: Objection. Form, beyond</p> <p>5 the scope.</p> <p>6 A. I don't know when the other companies</p> <p>7 joined.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Are you familiar with the fact that</p> <p>10 HDA has a website?</p> <p>11 A. Yes.</p> <p>12 Q. And have you been to that website</p> <p>13 before and seen it?</p> <p>14 A. Yes.</p> <p>15 Q. I'm going to show you what we'll mark</p> <p>16 as Ganley 3.</p> <p>17 (Whereupon, McKesson-Ganley-003 was</p> <p>18 marked for identification.)</p> <p>19 A. Thank you.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. Do you recognize this as being a</p> <p>22 printout from the HDA's website?</p> <p>23 A. It appears to be, yes.</p> <p>24 Q. And if you look at the bottom of the</p> <p>25 first page there, you see the web address down</p>	<p style="text-align: right;">Page 29</p> <p>1 Q. And you see the first member listed</p> <p>2 there is AmerisourceBergen?</p> <p>3 A. Yes.</p> <p>4 Q. And the next one listed is Anda?</p> <p>5 A. Yes.</p> <p>6 Q. And if you turn the page, do you see</p> <p>7 Cardinal Health is listed as a member of HDA?</p> <p>8 A. Yes.</p> <p>9 Q. If you go down a few lines, do you see</p> <p>10 that Henry Schein is listed?</p> <p>11 A. Yes.</p> <p>12 Q. If you go down a few more, do you see</p> <p>13 McKesson?</p> <p>14 A. Yes.</p> <p>15 Q. Below there is Miami-Luken?</p> <p>16 A. Yes.</p> <p>17 Q. And if you turn the page, four down</p> <p>18 you'll see that Prescription Supply is also a</p> <p>19 member of the HDA, correct?</p> <p>20 A. Yes.</p> <p>21 Q. And the fact that all of those</p> <p>22 wholesalers are members of HDMA, is that</p> <p>23 consistent with McKesson's understanding based</p> <p>24 on its participation within the HDA?</p> <p>25 MS. CHARLES: Objection. Form.</p>

<p style="text-align: right;">Page 30</p> <p>1 A. Yes.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Does -- would you qualify McKesson as</p> <p>4 being active within the HDA?</p> <p>5 MS. CHARLES: Objection. Form.</p> <p>6 A. Yes.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Does McKesson have members on the</p> <p>9 executive committee?</p> <p>10 MS. CHARLES: Objection. Form.</p> <p>11 A. We have a member on the executive</p> <p>12 committee.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Does McKesson have any members on the</p> <p>15 board of directors of HDA?</p> <p>16 A. Yes.</p> <p>17 Q. Does Cardinal Health have any members</p> <p>18 on the executive committee?</p> <p>19 MS. CHARLES: Objection. Beyond the</p> <p>20 scope.</p> <p>21 A. I don't know the answer to that.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. I'm going to show you what I'll mark</p> <p>24 as Ganley 4.</p> <p>25</p>	<p style="text-align: right;">Page 32</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Okay. And if you actually turn the</p> <p>3 page, you'll see it at the top of the very next</p> <p>4 page.</p> <p>5 A. Yes.</p> <p>6 Q. He works for Cardinal Health?</p> <p>7 A. Yep.</p> <p>8 Q. And if you stay on -- I'm sorry, if</p> <p>9 you turn to Page 3, at the top left do you see</p> <p>10 the President/CEO of Miami-Luken?</p> <p>11 MS. CHARLES: Objection. Form.</p> <p>12 A. Yes.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Is he also a member of the board of</p> <p>15 directors on HDA?</p> <p>16 MS. CHARLES: Objection. Beyond the</p> <p>17 scope.</p> <p>18 A. Yes.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. And next to him, do you see an</p> <p>21 employee of Henry Schein?</p> <p>22 A. Yes.</p> <p>23 Q. And if you turn to Page 4, top middle,</p> <p>24 do you see a McKesson employee who is a member</p> <p>25 of the board of directors for HDA?</p>
<p style="text-align: right;">Page 31</p> <p>1 (Whereupon, McKesson-Ganley-004 was</p> <p>2 marked for identification.)</p> <p>3 A. Thank you.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Do you recognize this, again, as being</p> <p>6 a printout from the HDA website?</p> <p>7 A. Yes, I do.</p> <p>8 Q. Again, you see the web address at the</p> <p>9 bottom of the page?</p> <p>10 A. Yes.</p> <p>11 Q. And you see the brand of HDA up in the</p> <p>12 top left corner?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. And you see the title of this</p> <p>15 page is "Board of Directors"?</p> <p>16 A. Yes.</p> <p>17 Q. And you see the first individual</p> <p>18 listed is -- I'm going to mispronounce his last</p> <p>19 name I'm sure, but Jon Giacomini?</p> <p>20 A. Jon Giacomini.</p> <p>21 Q. Jon Giacomini.</p> <p>22 And who does he work for?</p> <p>23 MS. CHARLES: Objection. Beyond the</p> <p>24 scope.</p> <p>25 A. I think Cardinal.</p>	<p style="text-align: right;">Page 33</p> <p>1 A. Yes.</p> <p>2 Q. And if you look at the bottom left of</p> <p>3 that page, do you see an employee of</p> <p>4 AmerisourceBergen who was on the board of</p> <p>5 directors for HDA?</p> <p>6 A. Yes.</p> <p>7 MS. CHARLES: Objection. Form.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Based on McKesson's participation</p> <p>10 within the HDA, are these board of directors</p> <p>11 consistent with McKesson's understanding of who</p> <p>12 is a participant within the HDA?</p> <p>13 MS. CHARLES: Objection. Form, beyond</p> <p>14 the scope.</p> <p>15 A. Yes.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Now, in addition to distributors,</p> <p>18 there are also pharmaceutical manufacturers who</p> <p>19 are members of the HDA, correct?</p> <p>20 MS. CHARLES: Objection. Beyond the</p> <p>21 scope.</p> <p>22 A. I believe that's right.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Do you know any manufacturers who are</p> <p>25 members?</p>

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1 MS. CHARLES: Objection. Form, beyond
2 the scope.
3 A. I don't.
4 BY MR. GADDY:
5 Q. I'm going to show you what I'm going
6 to mark as Ganley 5.
7 (Whereupon, McKesson-Ganley-005 was
8 marked for identification.)
9 A. Thank you.
10 BY MR. GADDY:
11 Q. Once again, do you recognize this as
12 being a printout from the HDA's website?
13 A. Yes.
14 Q. And you recognize the web address at
15 the bottom of the first page?
16 A. Yes.
17 Q. And the branding of HDA in the top
18 left-hand corner?
19 A. Yes.
20 Q. And if you turn to Page 2, four
21 down -- or first, let me back up just a bit.
22 On the first page, do you see the
23 title of this page is "Manufacturer"?
24 A. Yes.
25 Q. And you see below that it says,

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1 "Manufacturers considering an HDA membership are
2 primarily engaged in developing, manufacturing
3 or labeling healthcare products."
4 Do you see that?
5 A. Yes.
6 Q. And then down on the bottom it says,
7 "HDA has 128 manufacturer members."
8 Do you see that?
9 A. Yes.
10 Q. And if you turn the page, four down do
11 you see that Allergen is a member of the HDA?
12 MS. CHARLES: Objection. Beyond the
13 scope.
14 A. Yes.
15 BY MR. GADDY:
16 Q. And if you turn to Page 4, do you see
17 that Endo Pharmaceuticals is also a member of
18 the HDA?
19 MS. CHARLES: Objection. Beyond the
20 scope, form.
21 A. Yes.
22 BY MR. GADDY:
23 Q. If you go down to the bottom of the
24 page, do you see that Johnson & Johnson is a
25 member of the HDA?

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1 MS. CHARLES: Same objections.
2 A. Yes.
3 BY MR. GADDY:
4 Q. If you go to Page 5, do you see in the
5 middle of the page that Mallinckrodt is a member
6 of the HDA?
7 MS. CHARLES: Same objections.
8 A. Yes.
9 BY MR. GADDY:
10 Q. If you go to Page 6, do you see that
11 Par Pharmaceutical is a member of HDA?
12 MS. CHARLES: Same objections.
13 A. Yes.
14 BY MR. GADDY:
15 Q. If you go down, do you see that
16 Patriot Pharmaceuticals, a subsidiary of
17 Janssen, is a member of the HDA?
18 MS. CHARLES: Same objections.
19 A. Yes.
20 BY MR. GADDY:
21 Q. If you go down four up from the
22 bottom, do you see Purdue Pharma is a member of
23 the HDA?
24 MS. CHARLES: Same objections.
25 A. Yes.

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1 BY MR. GADDY:
2 Q. And if you go to the next page, do you
3 see towards the bottom that Teva Pharmaceuticals
4 is a member of the HDA?
5 MS. CHARLES: Same objections.
6 A. Yes.
7 BY MR. GADDY:
8 Q. Based on McKesson's participation
9 within the HDA, are these manufacturer members
10 consistent with your understanding of HDA
11 membership?
12 MS. CHARLES: Objection. Beyond the
13 form -- beyond the scope, form.
14 A. Yes.
15 BY MR. GADDY:
16 Q. So there's no doubt the membership of
17 HDA or HDMA includes both distributors and
18 manufacturers, correct?
19 MS. CHARLES: Objection. Form, beyond
20 the scope.
21 A. Correct.
22 BY MR. GADDY:
23 Q. Now, does HDA have different
24 conferences, committees, and working groups?
25 MS. CHARLES: Objection. Beyond the

<p style="text-align: right;">Page 38</p> <p>1 scope.</p> <p>2 A. Yes.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. And is McKesson active in any of</p> <p>5 those?</p> <p>6 A. We are active in a number of them,</p> <p>7 yes.</p> <p>8 Q. Which ones is McKesson active in?</p> <p>9 A. The federal -- well, the Executive</p> <p>10 Committee, the Board, the Public Policy</p> <p>11 Committee or Council, the Federal Government</p> <p>12 Affairs Committee, the State Government Affairs</p> <p>13 Committee, the Regulatory Affairs Committee, the</p> <p>14 Industry Relations Council. There's probably</p> <p>15 one or two others. There might be a legal</p> <p>16 working group. But those are the primary ones</p> <p>17 that we're engaged with.</p> <p>18 Q. Are you involved in the Federal</p> <p>19 Government Affairs Committee presently?</p> <p>20 A. I am. I'm the chair.</p> <p>21 Q. Are there any employees with Cardinal</p> <p>22 Health who also serve on that committee?</p> <p>23 MS. CHARLES: Objection. Beyond the</p> <p>24 scope.</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 40</p> <p>1 participate in the committee such, as federal</p> <p>2 government affairs?</p> <p>3 MS. CHARLES: Objection. Form, beyond</p> <p>4 the scope.</p> <p>5 A. Varies from meeting-to-meeting or</p> <p>6 call-to-call, but a dozen or more.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Are there any other committees that</p> <p>9 you personally participate in?</p> <p>10 MS. CHARLES: Objection. Beyond the</p> <p>11 scope.</p> <p>12 A. The Public Policy Council.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Are there any --</p> <p>15 A. And the -- sorry. And the Regulatory</p> <p>16 Affairs Council.</p> <p>17 But again, "participate in" being the</p> <p>18 operative word. In other words, I don't</p> <p>19 necessarily join every Regulatory Affairs</p> <p>20 Council call.</p> <p>21 Q. For each of those committees, the</p> <p>22 Public Policy Council and the Regulatory Affairs</p> <p>23 Committee, are there employees from Cardinal</p> <p>24 Health who participate in those committees?</p> <p>25 MS. CHARLES: Objection. Beyond the</p>
<p style="text-align: right;">Page 39</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Any employees of AmerisourceBergen who</p> <p>3 also serve on that committee?</p> <p>4 MS. CHARLES: Same objection.</p> <p>5 A. Yes.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. Any employees of Miami-Luken who also</p> <p>8 serve on that committee?</p> <p>9 MS. CHARLES: Same objection.</p> <p>10 A. I don't know the answer to that. And</p> <p>11 I should say it's not -- there's not sort of a</p> <p>12 formal membership in the committee. If you're a</p> <p>13 member of HDA, you're welcome to call in and</p> <p>14 join any of these working group conference</p> <p>15 calls. I don't recall somebody specifically</p> <p>16 from Miami-Luken that regularly participates in</p> <p>17 the Federal Government Affairs Committee.</p> <p>18 But my point is, it's not like you're</p> <p>19 either a member or not. The federal government</p> <p>20 committee has a call. Anybody who is doing</p> <p>21 federal affairs work for any of the member</p> <p>22 companies is, you know, is able to participate</p> <p>23 in that call.</p> <p>24 BY MR. GADDY:</p> <p>25 Q. About how many people actively</p>	<p style="text-align: right;">Page 41</p> <p>1 scope.</p> <p>2 A. Yes.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. Are there employees from</p> <p>5 AmerisourceBergen who participate in each of</p> <p>6 those two committees?</p> <p>7 MS. CHARLES: Same objection.</p> <p>8 A. Yes.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. You previously, I presume, used to</p> <p>11 participate in the State Government Affairs</p> <p>12 Committee?</p> <p>13 A. Yes.</p> <p>14 Q. When you did so, did you work with any</p> <p>15 employees from Cardinal Health on that</p> <p>16 committee?</p> <p>17 A. Yes.</p> <p>18 Q. Did you work with any employees from</p> <p>19 AmerisourceBergen on that committee?</p> <p>20 A. Yes.</p> <p>21 Q. Do you personally work on the Industry</p> <p>22 Relations Council or committee?</p> <p>23 A. I do not.</p> <p>24 Q. But you indicated there is somebody</p> <p>25 from McKesson who does?</p>

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1 A. Yes.
2 MS. CHARLES: Objection. Form.
3 BY MR. GADDY:
4 Q. Would you be able to speak on whether
5 or not individuals from other wholesale
6 distributors work on that committee or council
7 as well?
8 MS. CHARLES: Objection. Beyond the
9 scope, form.
10 A. Yes.
11 BY MR. GADDY:
12 Q. Are there employees from Cardinal
13 Health who participate in that committee or
14 council?
15 A. Yes.
16 Q. Are there employees from
17 AmerisourceBergen who participate in the
18 Industry Relations Council?
19 A. Yes.
20 Q. I'm going to show you what I'm going
21 to mark as Ganley 6.
22 (Whereupon, McKesson-Ganley-006 was
23 marked for identification.)
24 A. Thank you.
25 BY MR. GADDY:

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1 Q. Do you, again, recognize this as being
2 a printout from HDA's website?
3 A. Yes.
4 Q. Again, you see the web address at the
5 bottom of the page?
6 A. Yes.
7 Q. And the title of this page is
8 "Councils and Committees"?
9 A. Yes.
10 Q. And there on the very first page we
11 see the Public Policy Council that you were
12 speaking about earlier, correct?
13 A. Yes.
14 Q. If you turn the page, at the top of
15 Page 2 do you see the Industry Relations
16 Council?
17 A. Yes.
18 Q. And it says there that this counsel is
19 "composed of distributor and manufacturer
20 members," is that correct?
21 A. Yes.
22 Q. Is that consistent with McKesson's
23 understanding of who participates in the
24 Industry Relations Council?
25 A. Yes, it is.

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1 Q. It says that this committee "provides
2 leadership on pharmaceutical distribution and
3 supply chain issues."
4 Do you see that?
5 A. Yes.
6 Q. And is that consistent with McKesson's
7 understanding about what those distributor and
8 manufacturer members do on that council?
9 MS. CHARLES: Objection. Beyond the
10 scope.
11 A. Yes.
12 BY MR. GADDY:
13 Q. If you turn to Page 9, you'll see it
14 lists there a Contracts and Chargebacks Working
15 Group.
16 Do you see that?
17 A. Yes.
18 Q. Does McKesson participate in that
19 working group?
20 A. I don't know the answer to that.
21 Q. Okay. You see there that it says,
22 "This working group explores how the contract
23 administration process can be streamlined
24 through process improvements or technical
25 efficiencies. It also creates and exchanges

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1 industry knowledge of interest to contract and
2 chargeback professionals."
3 Do you see that?
4 A. Yes.
5 Q. And then below there it indicates that
6 both manufacturers and distributors participate
7 in that working group?
8 A. Yes.
9 Q. Is that consistent with McKesson's
10 understanding based on its participation within
11 the HDA?
12 A. You know, I have --
13 MS. MCCLURE: Objection.
14 A. I have to be honest with you. I've
15 never heard of this working group, never come
16 across it in my interactions with HDA.
17 BY MR. GADDY:
18 Q. From McKesson's perspective, is it
19 safe that say that manufacturers and
20 distributors work together under the umbrella of
21 the HDA?
22 MS. MCCLURE: Objection.
23 MS. CHARLES: Objection. Form, and
24 scope.
25 A. I think -- I did say it depends.

<p style="text-align: right;">Page 46</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Well, from McKesson's perspective,</p> <p>3 there certainly are issues or circumstances in</p> <p>4 which manufacturers and distributors work</p> <p>5 together under the umbrella of the HDA.</p> <p>6 MS. CHARLES: Objection. Form.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Is that true?</p> <p>9 MS. CHARLES: Beyond the scope.</p> <p>10 A. Yes, it's true that there are examples</p> <p>11 where that happens, yes.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. And why would it be --</p> <p>14 A. For example, the Public Policy Council</p> <p>15 doesn't have any manufacturer members. Our</p> <p>16 federal government affairs call, there's never a</p> <p>17 manufacturer on that call. So in some cases</p> <p>18 it's distributors and manufacturers, in other</p> <p>19 cases it's just distributors.</p> <p>20 Q. Why would it be beneficial for</p> <p>21 McKesson to be a member of a trade association</p> <p>22 where distributors and manufacturers can work</p> <p>23 together under the same umbrella?</p> <p>24 MS. CHARLES: Objection. Beyond the</p> <p>25 scope, form.</p>	<p style="text-align: right;">Page 48</p> <p>1 from McKesson's perspective based on your</p> <p>2 participation within the HDA, have common goals</p> <p>3 when it comes to rules and regulations and DEA</p> <p>4 enforcement?</p> <p>5 MS. CHARLES: Objection. Form, beyond</p> <p>6 the scope.</p> <p>7 A. Generally, yes.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Well, let me break it down.</p> <p>10 You agree that from McKesson's</p> <p>11 perspective, based on their participation within</p> <p>12 the HDA, that the members, which include</p> <p>13 Cardinal Health, AmerisourceBergen, Miami-Luken,</p> <p>14 Purdue Pharma, Endo, Teva, that they have common</p> <p>15 goals when it comes to rules and regulations?</p> <p>16 MS. CHARLES: Objection. Form, beyond</p> <p>17 the scope.</p> <p>18 A. I can only speak to the distributors,</p> <p>19 again, because I have not been part of public</p> <p>20 policy conversations that include the</p> <p>21 manufacturers. So while the manufacturers are</p> <p>22 members, they don't generally participate in the</p> <p>23 Public Policy Council or the government affairs</p> <p>24 committees.</p> <p>25 BY MR. GADDY:</p>
<p style="text-align: right;">Page 47</p> <p>1 A. I don't know. I'm not sure I know why</p> <p>2 it would be beneficial.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. Well, what's the purpose that -- why</p> <p>5 is McKesson a member of the HDA?</p> <p>6 A. We're a member of the HDA because</p> <p>7 there's value in being a member of a trade</p> <p>8 association that can speak, advocate, and</p> <p>9 educate on behalf of the entire industry.</p> <p>10 Q. And this also allows for the free</p> <p>11 exchange of information between like-minded</p> <p>12 companies, is that correct?</p> <p>13 MS. CHARLES: Objection. Form, beyond</p> <p>14 the scope.</p> <p>15 A. Yeah, within -- you know, within the</p> <p>16 construct of what's allowed, yes.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. And it allows for the free exchange of</p> <p>19 information amongst companies that have</p> <p>20 like-minded goals?</p> <p>21 MS. CHARLES: Objection. Form, beyond</p> <p>22 the scope.</p> <p>23 A. Sure. Generally speaking, yeah.</p> <p>24 BY MR. GADDY:</p> <p>25 Q. You agree that the members of the HDA,</p>	<p style="text-align: right;">Page 49</p> <p>1 Q. Which are the ones that you</p> <p>2 participate in?</p> <p>3 A. Public Policy Council, Federal</p> <p>4 Government Affairs Committee, State Government</p> <p>5 Affairs Committee, Regulatory Affairs Committee.</p> <p>6 Q. Who would be the person for us to --</p> <p>7 who would be the person within McKesson most</p> <p>8 knowledgeable to talk about the Industry</p> <p>9 Relations Council?</p> <p>10 A. I mean, I could speak about it, but --</p> <p>11 Q. Let me ask it this way.</p> <p>12 A. I'm trying to think who --</p> <p>13 Q. Who from McKesson serves on that</p> <p>14 committee?</p> <p>15 A. I'm trying to think who serves on that</p> <p>16 committee right now. There's been some</p> <p>17 turnover. And again, it's probably not one</p> <p>18 individual, it's probably a couple of people who</p> <p>19 participate. But I don't know the answer right</p> <p>20 now.</p> <p>21 Q. You don't know the names of anybody</p> <p>22 that serves on that committee for McKesson, or</p> <p>23 served on that committee within the last five</p> <p>24 years?</p> <p>25 A. I know some individuals who</p>

<p style="text-align: right;">Page 50</p> <p>1 participate, or have participated within the</p> <p>2 last five years.</p> <p>3 Q. Can you give us their name?</p> <p>4 A. Sure. Scott Mooney is one. I'm not</p> <p>5 sure who else. Within the last five years, it</p> <p>6 would have also included Bruce Russell, a guy by</p> <p>7 the name of Gary Hilliard participated. Both of</p> <p>8 them are no longer with McKesson. Scott is</p> <p>9 still with McKesson.</p> <p>10 But again, it's difficult to answer</p> <p>11 the question specifically because multiple</p> <p>12 people from McKesson would have participated at</p> <p>13 different moments. Right. All of these</p> <p>14 councils are kind of structured that way. So</p> <p>15 the agenda will go out for a particular meeting</p> <p>16 or call to a broad range of people within a</p> <p>17 company. And so, for example, I'm the chair of</p> <p>18 the Federal Government Affairs Committee, but</p> <p>19 there's probably three or four other McKesson</p> <p>20 people who would listen into any given FGAC</p> <p>21 call, depending on the agenda. It's not like an</p> <p>22 exclusive meeting or call.</p> <p>23 Q. Let me go back to my last question and</p> <p>24 ask you just as it relates to distributors.</p> <p>25 From McKesson's perspective, based on</p>	<p style="text-align: right;">Page 52</p> <p>1 thoughtfully about production quotas, or</p> <p>2 something like that. I don't know that they</p> <p>3 fully endorsed reducing production quotas, but</p> <p>4 maybe they have. I'd have to look.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. I want to kind of shift a little bit</p> <p>7 and talk about some of the things that HDA does</p> <p>8 for its members.</p> <p>9 A. Sure.</p> <p>10 Q. Would one of things that HDA would do</p> <p>11 be send letters to state or federal lawmakers on</p> <p>12 behalf of its members?</p> <p>13 MS. CHARLES: Objection. Beyond the</p> <p>14 scope.</p> <p>15 A. Yes.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. And it can send letters on behalf</p> <p>18 of -- HDA can send letters on behalf of all of</p> <p>19 its members because all the members, as you</p> <p>20 said, have a common purpose or common goals?</p> <p>21 MS. CHARLES: Objection. Form, beyond</p> <p>22 the scope.</p> <p>23 A. Well, it would send a letter on behalf</p> <p>24 of its members with the members' approval.</p> <p>25 BY MR. GADDY:</p>
<p style="text-align: right;">Page 51</p> <p>1 its participation within HDA, do the wholesale</p> <p>2 distributor members have common goals when it</p> <p>3 comes to rules and regulations?</p> <p>4 MS. CHARLES: Objection. Form.</p> <p>5 A. Yes.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. From McKesson's perspective, based on</p> <p>8 their participation within the HDA, do the</p> <p>9 wholesale distributors have common goals when it</p> <p>10 comes to DEA enforcement?</p> <p>11 MS. CHARLES: Objection. Form.</p> <p>12 A. Yes.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. From the perspective of McKesson,</p> <p>15 based on its participation within the HDA, do</p> <p>16 the wholesale distributor members have common</p> <p>17 goals when it comes to drug annual production</p> <p>18 quotas?</p> <p>19 MS. CHARLES: Objection. Form.</p> <p>20 A. There may be some differing points of</p> <p>21 view on that. But I don't know that I could</p> <p>22 speak to the other companies' perspective on</p> <p>23 that issue.</p> <p>24 But I believe HDA has some vaguely</p> <p>25 worded language that speaks to the need to think</p>	<p style="text-align: right;">Page 53</p> <p>1 Q. Sure.</p> <p>2 So members would have to approve any</p> <p>3 letter that went to state or federal lawmakers?</p> <p>4 MS. CHARLES: Objection. Beyond the</p> <p>5 scope.</p> <p>6 A. It's not that hard-and-fast. It sort</p> <p>7 of depends. If it's a substantive letter --</p> <p>8 generally speaking, the way HDMA works is if</p> <p>9 it's a substantive letter, HDA would draft it,</p> <p>10 it would be circulated to the members, there</p> <p>11 would probably be a call to discuss it, there</p> <p>12 might be edits that go back and forth between</p> <p>13 the members and HDA, and again, not all members,</p> <p>14 but some members might choose to weigh in on a</p> <p>15 particular topic.</p> <p>16 Generally speaking, something like</p> <p>17 sending a substantive letter to a government</p> <p>18 official would be sort of approved, you know, by</p> <p>19 sort of consensus before HDA did that. HDA</p> <p>20 wouldn't send a letter, a substantive letter to</p> <p>21 a government official within having some</p> <p>22 consensus among its members.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. And consensus, when you use that term,</p> <p>25 means that everybody agrees?</p>

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1 MS. CHARLES: Objection. Form.
 2 A. Yeah, I'd say it a little differently
 3 than how you just said it. It means nobody
 4 objects. Right.
 5 So generally speaking, there would be
 6 a discussion where we want to send this letter
 7 to so-and-so, the letter would be distributed to
 8 the members, there would be some kind of
 9 indication that, you know, if anybody has any
 10 concerns let us know by Friday at 4, otherwise
 11 we'll assume you're all okay with it. Right.
 12 BY MR. GADDY:
 13 Q. So if something -- if a substantive
 14 letter is published by the HDA on behalf of its
 15 members, it can be assumed that nobody objected?
 16 MS. CHARLES: Objection. Beyond the
 17 scope.
 18 A. Yes, either didn't object or didn't
 19 reply.
 20 BY MR. GADDY:
 21 Q. So some of the other things that HDA
 22 will do on behalf of its members is take
 23 position on legislation, correct?
 24 MS. CHARLES: Objection. Beyond the
 25 scope.

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1 A. Yes.
 2 BY MR. GADDY:
 3 Q. And based on McKesson's participation
 4 within the HDA, another thing that HDA will do
 5 on behalf of its members is write letters to the
 6 media representing the position of its members?
 7 MS. CHARLES: Objection. Form.
 8 A. Yeah, rarely. I mean, engage with the
 9 media, certainly. Write letters to the media I
 10 think is not what they would do. But yes, press
 11 releases and, you know, op eds, things like
 12 that, yes.
 13 BY MR. GADDY:
 14 Q. And specifically as it relates to this
 15 case, one of the things that HDA did was publish
 16 what they called Industry Compliance Guidelines?
 17 MS. CHARLES: Objection. Form.
 18 A. Yes.
 19 BY MR. GADDY:
 20 Q. And we talked a little bit just a
 21 moment ago about the process that HDA goes
 22 through when they want to -- the example we were
 23 using there was draft a substantive letter to a
 24 lawmaker. Would --
 25 A. And I'm sorry to interrupt. The

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1 distinction I'm making is HDA probably does send
 2 what I would call non-substantive letters
 3 without any real process. So if it's --
 4 Q. Sure.
 5 A. -- cover letter for annual report or
 6 something, that wouldn't be edited and refined.
 7 That's the distinction I'm making between
 8 substantive and not substantive.
 9 Q. Fair clarification.
 10 A. You know, "congratulations on getting
 11 elected" is not a letter that would go through
 12 any significant process or something like that.
 13 Q. Understood.
 14 Speaking specifically to the Industry
 15 Compliance Guidelines that HDA published, would
 16 that be the type of document that would
 17 undergo -- that would be circulated to its
 18 members for approval prior to being published?
 19 MS. CHARLES: Objection.
 20 A. Yes. Generally speaking, yes.
 21 BY MR. GADDY:
 22 Q. Well, you said "generally speaking."
 23 There was -- 2008, HDA published a set of
 24 Industry Compliance Guidelines, correct?
 25 A. Yes.

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1 Q. Did that 2008 draft of the Industry
 2 Compliance Guidelines, was that circulated to
 3 its members for review and comment prior to
 4 being published?
 5 MS. CHARLES: Objection. Beyond the
 6 scope.
 7 A. Yes.
 8 BY MR. GADDY:
 9 Q. Did McKesson have an opportunity to
 10 review that document prior to it being
 11 published?
 12 A. Yes.
 13 Q. Who within McKesson reviewed that
 14 document?
 15 A. It was folks on our Regulatory Affairs
 16 team.
 17 Q. Okay. Anybody in particular?
 18 A. Some of the folks I mentioned. I know
 19 Don Walker reviewed it, Mike Oriente, probably
 20 Gary Hilliard. I can't say for certain, but it
 21 would have been the folks within the regulatory
 22 affair team. Maybe Bruce Russell.
 23 Q. What was -- and ultimately, did
 24 McKesson approve the publication of the 2008
 25 Industry Compliance Guidelines?

<p style="text-align: right;">Page 58</p> <p>1 MS. CHARLES: Objection. Form.</p> <p>2 A. "Approve" is not sort of the word I</p> <p>3 would use. I mean, I think the way -- again,</p> <p>4 the way these things get done is they're sort</p> <p>5 of -- they're consensus documents, so consented,</p> <p>6 I mean, I don't know -- I'm not trying to be</p> <p>7 knit-picky, but "approve" implies there was some</p> <p>8 vote taken or something like that, and that's</p> <p>9 not really the way it works. Sort of, you the</p> <p>10 document to a good place and everybody agrees</p> <p>11 that we're going to go ahead and publish it.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. Did McKesson have the opportunity to</p> <p>14 review the 2008 Industry Compliance Guidelines</p> <p>15 prior to them being published?</p> <p>16 A. Yes.</p> <p>17 Q. Did McKesson raise any objection</p> <p>18 whatsoever to them being published?</p> <p>19 MS. CHARLES: Objection. Form.</p> <p>20 A. There were probably edits and comments</p> <p>21 made during the drafting process, I'm sure.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Was there any objection made by</p> <p>24 McKesson to the 2008 Industry Compliance</p> <p>25 Guidelines being published?</p>	<p style="text-align: right;">Page 60</p> <p>1 its membership.</p> <p>2 Q. Was it McKesson's idea to draft and</p> <p>3 publish these?</p> <p>4 A. I don't know the answer to that.</p> <p>5 Q. Do you know whether or not these</p> <p>6 Industry Compliance Guidelines being published</p> <p>7 by HDA had anything to do with the 2008 civil</p> <p>8 penalty that McKesson paid?</p> <p>9 MS. CHARLES: Objection. Form.</p> <p>10 A. I don't know the answer to that.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. Were you aware that McKesson paid a</p> <p>13 civil penalty in 2008?</p> <p>14 MS. CHARLES: Objection. Beyond the</p> <p>15 scope.</p> <p>16 A. I am aware, yes.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. And are you aware that it related to</p> <p>19 allegations that McKesson had failed to report</p> <p>20 suspicious orders of opioids?</p> <p>21 MS. CHARLES: Objection. Beyond the</p> <p>22 scope.</p> <p>23 A. Yes.</p> <p>24 BY MR. GADDY:</p> <p>25 Q. And these Industry Compliance</p>
<p style="text-align: right;">Page 59</p> <p>1 MS. CHARLES: Objection. Form.</p> <p>2 A. No.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. I'm going to show you -- I'm on Number</p> <p>5 7? I'm going to show you what we're going to</p> <p>6 mark as Ganley 7.</p> <p>7 (Whereupon, McKesson-Ganley-007 was</p> <p>8 marked for identification.)</p> <p>9 A. Thank you.</p> <p>10 MR. GADDY: Shannon, if you don't</p> <p>11 mind, I was going to use the projector.</p> <p>12 MS. MCCLURE: I'll move.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Do you recognize this document as</p> <p>15 being the 2008 Industry Compliance Guidelines</p> <p>16 that were published by the HDA?</p> <p>17 A. Yes.</p> <p>18 Q. Why were these guidelines published?</p> <p>19 A. I don't know specifically why they</p> <p>20 were published. But generally speaking, you</p> <p>21 know, HDA would publish something like this,</p> <p>22 HDMA at the time would publish something like</p> <p>23 this to educate stakeholders about what the</p> <p>24 industry does and what our procedures are, and</p> <p>25 to share information among the companies, among</p>	<p style="text-align: right;">Page 61</p> <p>1 Guidelines speak exactly to that topic, is that</p> <p>2 correct?</p> <p>3 MS. CHARLES: Objection. Form, beyond</p> <p>4 the scope.</p> <p>5 A. And more. Yes, they speak to</p> <p>6 compliance generally, among other things.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. If you look in the top of the page, it</p> <p>9 says, the "Healthcare Distribution Management</p> <p>10 Association Industry Compliance Guidelines."</p> <p>11 Do you see that?</p> <p>12 A. Yes.</p> <p>13 Q. Goes on to say, "Reporting Suspicious</p> <p>14 Orders and Preventing Diversion of Controlled</p> <p>15 Substances."</p> <p>16 A. Yes.</p> <p>17 Q. Do you see that?</p> <p>18 And you understand that's the contents</p> <p>19 of this document?</p> <p>20 A. Yes.</p> <p>21 Q. In the first paragraph there, second</p> <p>22 sentence, it says that "Manufacturers,</p> <p>23 distributors, pharmacies and healthcare</p> <p>24 practitioners share a mission and responsibility</p> <p>25 to continuously monitor, protect and enhance the</p>

<p style="text-align: right;">Page 62</p> <p>1 safety and security of this system to combat</p> <p>2 increasingly sophisticated criminals who attempt</p> <p>3 to breach the security of the legitimate supply</p> <p>4 chain."</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. And it was McKesson's position that</p> <p>8 that was their role within the supply chain,</p> <p>9 correct?</p> <p>10 MS. CHARLES: Objection. Form.</p> <p>11 A. I'm not sure what you mean by "their."</p> <p>12 I mean, yes, we would agree with the statement</p> <p>13 that "Manufacturers, distributors, pharmacies</p> <p>14 and healthcare practitioners share a mission and</p> <p>15 responsibility to continuously monitor, protect</p> <p>16 and enhance the safety and security of this</p> <p>17 system." We would agree with that statement.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Okay. And if you go down to the</p> <p>20 second paragraph, starting in the middle of the</p> <p>21 paragraph it says, "These Industry Compliance</p> <p>22 Guidelines are consistent with, and further</p> <p>23 extend, the distributors' track record of</p> <p>24 supporting and implementing initiatives designed</p> <p>25 to improve the safety, security and integrity of</p>	<p style="text-align: right;">Page 64</p> <p>1 Q. The same opportunity that McKesson had</p> <p>2 to review and comment, that same opportunity,</p> <p>3 per your understanding based on McKesson's</p> <p>4 participation within HDA, that same opportunity</p> <p>5 would have been given to Cardinal Health?</p> <p>6 A. I would imagine, yes.</p> <p>7 Q. That same opportunity would have been</p> <p>8 given to AmerisourceBergen?</p> <p>9 MS. MCCLURE: Objection.</p> <p>10 A. I would imagine, yes.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. If you turn to Page 2, you'll see</p> <p>13 there's numbering up in the top right-hand</p> <p>14 corner.</p> <p>15 A. Yes. Thank you.</p> <p>16 Q. Down towards the bottom third of the</p> <p>17 page, the guidelines cite some of the federal</p> <p>18 regulations that apply to distributors, correct?</p> <p>19 A. Yes.</p> <p>20 Q. And in the first sentence of that</p> <p>21 regulation it says, "The registrant shall design</p> <p>22 and operate a system to disclose to the</p> <p>23 registrant suspicious orders of controlled</p> <p>24 substances."</p> <p>25 Do you see that?</p>
<p style="text-align: right;">Page 63</p> <p>1 the medicine supply"?</p> <p>2 A. Yes.</p> <p>3 Q. It says, "They have been prepared in</p> <p>4 recognition of a growing problem of misuse and</p> <p>5 diversion of Controlled Substances."</p> <p>6 Do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. And back in 2008, McKesson agreed with</p> <p>9 this statement, correct?</p> <p>10 MS. CHARLES: Objection. Form.</p> <p>11 A. Yes.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. If you go down to the next paragraph,</p> <p>14 it says that "distributors are uniquely situated</p> <p>15 to perform due diligence in order to help</p> <p>16 support the security of the controlled</p> <p>17 substances they deliver to their customers."</p> <p>18 Do you see that?</p> <p>19 A. Yes.</p> <p>20 Q. And this was a statement that McKesson</p> <p>21 agreed with back in 2008 when these were</p> <p>22 published?</p> <p>23 MS. CHARLES: Objection. Form.</p> <p>24 A. Yeah, we agreed to the whole document.</p> <p>25 BY MR. GADDY:</p>	<p style="text-align: right;">Page 65</p> <p>1 MS. CHARLES: Objection. Form.</p> <p>2 A. I do.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. And the word "suspicious orders" is</p> <p>5 underlined, correct?</p> <p>6 A. It is, yes.</p> <p>7 Q. Okay. And if you look at the bottom</p> <p>8 of the paragraph, it says that emphasis was</p> <p>9 added by the HDA when they published this,</p> <p>10 correct?</p> <p>11 A. Presumably, yes. It says "Emphasis</p> <p>12 added."</p> <p>13 Q. Okay. It says "suspicious orders,"</p> <p>14 correct?</p> <p>15 A. That's what it says.</p> <p>16 Q. Not suspicious customers?</p> <p>17 A. Right.</p> <p>18 Q. And this is language that McKesson had</p> <p>19 the opportunity to see, review, comment and</p> <p>20 object to, if they so desired, before these were</p> <p>21 published in 2008?</p> <p>22 MS. CHARLES: Objection. Form.</p> <p>23 A. Yes.</p> <p>24 BY MR. GADDY:</p> <p>25 Q. If you go down to the next paragraph</p>

<p style="text-align: right;">Page 66</p> <p>1 it says, "Although distributors have been 2 required to identify and report 'suspicious 3 orders' of controlled substances and listed 4 chemicals, increasing concerns about the 5 potential misuse of prescription controlled 6 substances have elevated awareness within the 7 supply chain and have led to increased 8 expectations by DEA." 9 Do you see that? 10 A. I do. 11 Q. And based on McKesson's participation 12 within HDA, this was McKesson's understanding at 13 the time these were published? 14 MS. CHARLES: Objection. Form. 15 A. Sorry, can you ask that again? 16 BY MR. GADDY: 17 Q. Sure. 18 Based on McKesson's participation 19 within HDA, this sentence right here represents 20 McKesson's understanding at the time these 21 guidelines were published? 22 MS. CHARLES: Same objection. 23 A. I'm struggling with McKesson's 24 understanding of what? 25 BY MR. GADDY:</p>	<p style="text-align: right;">Page 68</p> <p>1 strongly endorsed these Industry Compliance 2 Guidelines as the HDMA represents right there? 3 MS. CHARLES: Objection. Form. 4 A. I can't speak to the level of our 5 endorsement. We would have approved the 6 document being published. 7 BY MR. GADDY: 8 Q. And you would have approved the 9 document with that language in there 10 representing that the members, which includes 11 McKesson, strongly endorse the document? 12 MS. CHARLES: Objection. Form. 13 A. Yes. 14 BY MR. GADDY: 15 Q. Same, at this time we know that 16 Cardinal Health was also a member, correct? 17 MS. CHARLES: Objection. Form, beyond 18 the scope. 19 A. Yes. 20 BY MR. GADDY: 21 Q. And AmerisourceBergen was also a 22 member, correct? 23 MS. CHARLES: Same objections. 24 A. Yes. 25 BY MR. GADDY:</p>
<p style="text-align: right;">Page 67</p> <p>1 Q. The sentence that we just read. 2 McKesson agreed, approved, and signed off on 3 this prior to it being published, correct? 4 A. Yes, they would have agreed to the -- 5 I mean, by consensus this document would have 6 been agreed to, yes. 7 Q. Also by Cardinal Health? 8 MS. CHARLES: Objection. 9 A. Presumably, but I can't speak to that. 10 BY MR. GADDY: 11 Q. And also by AmerisourceBergen? 12 MS. CHARLES: Objection. Beyond the 13 scope. 14 MS. MCCLURE: Objection. Form. 15 A. Presumably. 16 BY MR. GADDY: 17 Q. If you go to Page 3, do you see the 18 first full paragraph, it says, "With the strong 19 endorsement and expertise of our members, the 20 HDMA has developed the following Industry 21 Compliance Guidelines for preventing diversion 22 and reporting suspicious orders." 23 Do you see that? 24 A. Yes. 25 Q. Is it your understanding that McKesson</p>	<p style="text-align: right;">Page 69</p> <p>1 Q. If you turn to Page 7, do you see in 2 Section II(a), you see that the guidelines speak 3 to "Monitoring for Suspicious Orders"? Just the 4 title there, II(a). 5 A. Yes. Sorry. "II. Monitoring for 6 Suspicious Orders," yeah. 7 Q. And if you go about halfway down the 8 paragraph, you see that it says that a 9 distributor must be design and operate a system 10 to disclose to the registrant suspicious orders 11 of controlled substances? 12 Do you see that? 13 A. Yes. It's a citation of the CFR. 14 Q. And again, do you see that HDA added 15 emphasis to several phrases within that 16 sentence? 17 A. Yes. 18 Q. And one of those phrases that they 19 added emphasis to was "suspicious orders," 20 correct? 21 A. Yes. 22 Q. Not suspicious customers, correct? 23 MS. CHARLES: Objection. Form. 24 A. It says "suspicious orders." 25 BY MR. GADDY:</p>

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1 Q. If we turn to Page 9, do you see
2 there's a section Roman Numeral III in the
3 middle of the page about suspend or stop an
4 order of interest?
5 A. Yes.
6 Q. It says there, "If an order meets or
7 exceeds a distributor's threshold, as defined in
8 the distributor's monitoring system, or is
9 otherwise characterized by the distributor as an
10 order of interest, the distributor should not
11 ship the order to the customer, in fulfillment
12 of that order, any units of the specific drug
13 code product as to which the order met or
14 exceeded a threshold or as to which the order
15 was otherwise characterized as an order of
16 interest."
17 Do you see that?
18 A. Yes, I do.
19 Q. And specifically as to the second half
20 of that paragraph that starts "should not ship
21 to the customer," HDA chose to underline that
22 section, correct?
23 A. Yes, it appears so.
24 Q. And again, this is language that
25 McKesson had the opportunity to review, comment

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1 on, and object to beforehand if they wanted,
2 correct?
3 MS. CHARLES: Objection to form.
4 A. Yeah, we had an opportunity to review
5 and comment on the entire document.
6 BY MR. GADDY:
7 Q. And this is the -- this would be
8 another section that, according to the HDA, its
9 members strongly endorsed?
10 MS. CHARLES: Objection. Form.
11 A. Yeah, I guess so.
12 BY MR. GADDY:
13 Q. The last section we're going to look
14 at is on Page 12. Do you see Section V towards
15 the bottom of the page?
16 A. Yes.
17 Q. It says, "Immediate DEA Notification."
18 Do you see that?
19 A. Yes.
20 Q. It says, "Under 21 CFR 1301.74(b)" --
21 you understand that to be the regulation that
22 requires distributors to report suspicious
23 orders?
24 MS. CHARLES: Objection. Form.
25 A. I do.

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1 BY MR. GADDY:
2 Q. It says under that section, "orders
3 designated as 'suspicious' must be reported to
4 the DEA 'when discovered.'"
5 Do you see that?
6 A. Yes.
7 Q. And do you see that that language is
8 in quotations?
9 A. Yes.
10 Q. And is it your understanding that that
11 language comes verbatim from the regulation?
12 MS. CHARLES: Objection. Form, beyond
13 the scope.
14 A. I don't know the answer to that. I
15 would assume so from the plain reading of it,
16 yes.
17 BY MR. GADDY:
18 Q. And again, this is language that,
19 according to the HDA, McKesson strongly
20 endorsed?
21 MS. CHARLES: Objection. Form, beyond
22 the scope.
23 A. I think HDA said its membership
24 generally endorses it. I don't think they
25 attributed the endorsement to any individual

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1 company.
2 BY MR. GADDY:
3 Q. Fair.
4 Let me show you what I'll mark as
5 Ganley 8.
6 (Whereupon, McKesson-Ganley-008 was
7 marked for identification.)
8 A. Thank you.
9 BY MR. GADDY:
10 Q. Do you recognize this document?
11 A. I do.
12 Q. Have you seen this before?
13 A. Yes.
14 Q. When have you seen it?
15 A. During preparing for this deposition.
16 Q. Do you recognize this to be a June 5,
17 2009 letter from the HDA, HDMA at the time, to
18 the DEA?
19 A. Yes.
20 Q. And the subject of the letter dealt
21 with a bill that dealt with online pharmacies?
22 A. Yes.
23 Q. If you turn to Page 3, second full
24 paragraph, do you see that the HDMA there says,
25 "As the agency is aware, HDMA has expended

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1 significant resources in the development of its
2 Industry Compliance Guidelines" --
3 A. Sorry, you said second full paragraph.
4 Okay. I'm with you.
5 Q. I'll start over.
6 "As the agency is aware, HDMA has
7 expended significant resources in the
8 development of its 'Industry Compliance
9 Guidelines: Reporting Suspicious Orders and
10 Preventing Diversion of Controlled Substances.'"
11 That's the document we just looked at,
12 correct?
13 A. Yes.
14 Q. It says, "That document does contain
15 guidance on appropriate inquiry to be made to
16 pharmacy customers prior to the shipment of
17 controlled substances, including questions
18 regarding Internet sales."
19 Do you see that?
20 A. Yes.
21 Q. Is that McKesson's understanding, that
22 the HDMA expended significant resources to
23 develop that document?
24 MS. CHARLES: Objection. Beyond the
25 scope.

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1 A. I think "significant resources" is an
2 exaggeration.
3 BY MR. GADDY:
4 Q. Would this letter, a letter from the
5 HDMA to the DEA, be one that was circulated for
6 review and comment?
7 A. Yes.
8 Q. This is a letter that the membership
9 of the HDMA would have had consensus approval on
10 prior to it going out?
11 MS. CHARLES: Objection. Form.
12 A. Yes.
13 MS. CHARLES: Jeff, we've been going
14 about an hour. Is this a good time?
15 MR. GADDY: Sure.
16 THE VIDEOGRAPHER: We're going off
17 record. The time is 10:01.
18 (Whereupon, a recess was taken.)
19 THE VIDEOGRAPHER: Going back on the
20 record beginning at Media File Number 2. Time
21 is 10:14.
22 BY MR. GADDY:
23 Q. Mr. Ganley, I'm going to show you
24 what's been marked as Number 9. Do you
25 recognize this document?

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1 A. Yes.
2 (Whereupon, McKesson-Ganley-009, was
3 marked for identification.)
4 BY MR. GADDY:
5 Q. Is this another document that you had
6 to see in preparation for your testimony today?
7 A. I believe so.
8 Q. Do you recognize this as a July 8,
9 2010 letter from HDMA to the DEA?
10 A. That's what it says, yes.
11 Q. Do you see in the first paragraph
12 there HDMA says, "The member companies of HDMA
13 are committed to fulfilling their obligations
14 under the CSA, including the maintenance of
15 effective controls to guard against the
16 diversion of controlled substances."
17 Do you see that?
18 A. I do see it.
19 Q. Is this another one of the letters
20 that would have been distributed to membership
21 to voice any objections had they so chosen?
22 MS. CHARLES: Objection to form.
23 A. Yes.
24 BY MR. GADDY:
25 Q. If you go down to the second

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1 paragraph, do you see there it says, "Since
2 2008, HDMA members have been able to utilize the
3 association's 'Industry Compliance Guidelines:
4 Reporting Suspicious Orders and Preventing
5 Division of Controlled Substances' as a template
6 for meeting their obligations under the CSA."
7 Do you see that?
8 A. I do see it.
9 Q. So do you see here that HDMA is
10 representing that those Industry Compliance
11 Guidelines that we looked at a few minutes ago
12 can be used by members as a template?
13 MS. CHARLES: Objection. Beyond the
14 scope, form.
15 A. It says, "have been able to utilize
16 them as a template."
17 BY MR. GADDY:
18 Q. Do you see in the next sentence it
19 says, "This guideline was commended by DEA Chief
20 Counsel Wendy Goggin in an October 17, 2008
21 letter to HDMA"?
22 A. That's what it says, yes.
23 Q. We've seen letters from HDMA that
24 indicate, A, that significant resources were
25 used to -- were expended to generate those

<p style="text-align: right;">Page 78</p> <p>1 Industry Compliance Guidelines, correct?</p> <p>2 MS. CHARLES: Objection. Form.</p> <p>3 A. That's what the letter says, yes.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. We've seen that HDMA has represented</p> <p>6 that its members can use those guidelines as a</p> <p>7 template to comply with the Controlled Substance</p> <p>8 Act, correct?</p> <p>9 MS. CHARLES: Objection to the form.</p> <p>10 A. That's what this letter says, yes.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. And we've also seen correspondence</p> <p>13 from the HDMA that indicates the DEA has</p> <p>14 commended the HDMA for the publication of those</p> <p>15 guidelines, correct?</p> <p>16 MS. CHARLES: Objection. Form.</p> <p>17 A. That's what this says.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. In 2013, HDMA made a -- added a</p> <p>20 supplement to those guidelines, is that correct?</p> <p>21 A. I don't know that I'd characterize it</p> <p>22 as supplement.</p> <p>23 Q. How would you characterize it?</p> <p>24 A. A new header. I don't know. I'm not</p> <p>25 sure what word I would use to describe. They</p>	<p style="text-align: right;">Page 80</p> <p>1 Q. As far as adding this preamble to the</p> <p>2 guidelines, is this the type of substantive</p> <p>3 document that would have been circulated by HDMA</p> <p>4 to its members to give them an opportunity to</p> <p>5 review, comment, and object?</p> <p>6 A. Yes.</p> <p>7 Q. Do you know specifically if this was</p> <p>8 circulated to McKesson to review, comment and</p> <p>9 object upon?</p> <p>10 A. I don't know specifically, but I'm</p> <p>11 sure it was.</p> <p>12 Q. And the fact that it was published</p> <p>13 indicates there were no objections to this final</p> <p>14 version?</p> <p>15 MS. CHARLES: Objection. Form.</p> <p>16 A. It's sort of a hard question to</p> <p>17 answer. I'm not trying to be difficult or</p> <p>18 knit-picky. But the way HDA operates when</p> <p>19 publishing things, as I said, is sort of on this</p> <p>20 consensus basis. And it's not to say that</p> <p>21 members might not have an objection to something</p> <p>22 in the document, but they choose not to sort of,</p> <p>23 you know, object to the document being</p> <p>24 published. In other words, you know what I</p> <p>25 mean? Does that make sense? It's sort of a --</p>
<p style="text-align: right;">Page 79</p> <p>1 had a statement that accompanied the guidelines.</p> <p>2 Q. They added a statement to the</p> <p>3 guidelines?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. Other than the addition of a</p> <p>6 statement, did anything else about the</p> <p>7 guidelines change?</p> <p>8 MS. CHARLES: Objection. Beyond the</p> <p>9 scope.</p> <p>10 A. I don't believe so.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. I'm going to show you what's been</p> <p>13 marked as Ganley 10.</p> <p>14 (Whereupon, McKesson-Ganley-010 was</p> <p>15 marked for identification.)</p> <p>16 A. Thank you.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. Do you recognize this as being the</p> <p>19 2013 Industry Compliance Guidelines that HDMA</p> <p>20 published?</p> <p>21 A. Yes.</p> <p>22 Q. And would it be fair to say the top</p> <p>23 three paragraphs are the preamble that was added</p> <p>24 in 2013 by HDMA?</p> <p>25 A. Yes, it says -- yes.</p>	<p style="text-align: right;">Page 81</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Sure.</p> <p>3 So to clarify my question --</p> <p>4 A. As consensus as it can be. It doesn't</p> <p>5 necessarily mean everybody agrees with every</p> <p>6 part of the document.</p> <p>7 Q. To clarify my question, would it be</p> <p>8 fair to say that no member voiced an objection</p> <p>9 after having the opportunity to do so?</p> <p>10 A. It would be --</p> <p>11 MS. CHARLES: Objection. Beyond the</p> <p>12 scope.</p> <p>13 A. It would be fair to say that the fact</p> <p>14 that it was published indicates that nobody</p> <p>15 objected to it being published.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Based on McKesson's participation</p> <p>18 within the HDMA, what is your understanding of</p> <p>19 why this preamble was added to the Industry</p> <p>20 Compliance Guidelines?</p> <p>21 A. My understanding is based on the</p> <p>22 language of the preamble, and --</p> <p>23 Q. Let me ask it differently, then.</p> <p>24 Do you have any understanding, or does</p> <p>25 McKesson have any understanding as to why this</p>

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1 preamble was added, other than what we see
2 printed in front of us?
3 A. Well, I think -- I'm not sure I
4 understand the question. An understanding other
5 than what we see printed in front of us? I
6 think they're one in the same.
7 Q. Okay. Well, so I'll just ask my
8 question again, then.
9 What is McKesson's understanding for
10 why this preamble was added?
11 A. It was -- my understanding is that it
12 was added to clarify the purpose of the Industry
13 Compliance Guidelines.
14 Q. Why did HDMA and its members in 2013,
15 five years after they were originally published,
16 feel the need to clarify?
17 MS. CHARLES: Objection. Scope.
18 MS. MCCLURE: Objection. Form.
19 A. Again, based on the reading of what's
20 here, they were clarifying that the Industry
21 Compliance Guidelines are not meant to
22 constitute an industry standard.
23 BY MR. GADDY:
24 Q. That's not my question.
25 My question is, why did they feel the

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1 need to clarify?
2 MS. CHARLES: Objection. Beyond the
3 scope, form.
4 MS. MCCLURE: Objection. Form.
5 A. I don't know.
6 BY MR. GADDY:
7 Q. Did it have anything to do with the
8 fact that McKesson was being investigated in
9 2013 by the DEA?
10 MS. CHARLES: Objection. Beyond the
11 scope.
12 A. I don't know.
13 BY MR. GADDY:
14 Q. In the last sentence of the first
15 paragraph it says that these guidelines -- it
16 says, "It was not intended to be, and should not
17 be understood to constitute, an 'industry
18 standard' or statement of the state-of-the-art
19 with regard to individual companies' practices."
20 Do you see that?
21 A. I see it.
22 Q. We already know that -- we've already
23 looked at documents where HDMA has indicated
24 that they expended significant resources to
25 compile these guidelines, correct?

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1 A. That's what they said.
2 Q. We've already seen documentation that
3 HDMA suggested that their members could use
4 these guidelines as a template to comply with
5 the Controlled Substance Act, correct?
6 MS. CHARLES: Objection. Form.
7 A. That's what the letter said, yes.
8 BY MR. GADDY:
9 Q. And we know that HDMA was told in 2008
10 that they were actually commended by the DEA for
11 the guidelines that they published, correct?
12 MS. CHARLES: Objection. Form.
13 A. That's what it said.
14 BY MR. GADDY:
15 Q. So McKesson has no understanding
16 whatsoever for why HDMA and its members felt the
17 need to clarify the purpose of these guidelines
18 in 2013?
19 MS. CHARLES: Objection. Form.
20 A. I think the decision to include this
21 statement was to be clear that it's not meant --
22 that they were not meant to be an industry
23 standard.
24 BY MR. GADDY:
25 Q. I understand that that's what they

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1 were trying to make clear with this preamble.
2 Why did they feel the need to make that clear?
3 That's my question.
4 MS. CHARLES: Objection. Form.
5 BY MR. GADDY:
6 Q. And if you don't know, you can tell me
7 you don't know. But do you know, does McKesson
8 know, you as the person who has testified that
9 you're most knowledgeable about this topic, do
10 you know why the HDMA and its members felt the
11 need in 2013 to clarify what these guidelines
12 were and were not supposed to do?
13 MS. CHARLES: Objection. Form, beyond
14 the scope.
15 A. I don't.
16 BY MR. GADDY:
17 Q. Were you aware that in 2013 McKesson
18 was being investigated by the DEA for failing to
19 report suspicious orders?
20 MS. CHARLES: Objection. Beyond the
21 scope.
22 A. I am aware, yes.
23 BY MR. GADDY:
24 Q. Are you aware that as a result of
25 that, McKesson paid a significant -- a

<p style="text-align: right;">Page 86</p> <p>1 substantial civil penalty?</p> <p>2 MS. CHARLES: Same objection, and</p> <p>3 objection to form.</p> <p>4 A. I am.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. In the last paragraph, the</p> <p>7 second-to-last sentence says, "In light of</p> <p>8 passage of time and revised industry practices,</p> <p>9 HDMA is considering revision of the ICGs."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. That has not happened, has it?</p> <p>13 A. I don't believe so, no.</p> <p>14 Q. These have not been -- these Industry</p> <p>15 Compliance Guidelines have not been revoked,</p> <p>16 repealed, or replaced by HDMA, correct?</p> <p>17 MS. CHARLES: Objection. Beyond the</p> <p>18 scope.</p> <p>19 A. I wouldn't agree --</p> <p>20 MS. MCCLURE: Objection. Form.</p> <p>21 A. I wouldn't agree with the</p> <p>22 characterization of revoked or repealed. That's</p> <p>23 not something HDA would ever do. Things aren't</p> <p>24 revoked or repealed. There's no -- this wasn't</p> <p>25 enacted.</p>	<p style="text-align: right;">Page 88</p> <p>1 department would have been the lead, my</p> <p>2 department.</p> <p>3 Q. Would Don Walker have had input on</p> <p>4 that document?</p> <p>5 A. He probably would have, yes.</p> <p>6 Q. And he's in Regulatory Affairs,</p> <p>7 correct?</p> <p>8 A. Yes.</p> <p>9 Q. Mike Oriente would have had input on</p> <p>10 that document?</p> <p>11 A. He may have, yes.</p> <p>12 Q. Bruce Russell may have had input on</p> <p>13 that document?</p> <p>14 A. Potentially.</p> <p>15 Q. And those are all individuals within</p> <p>16 Regulatory Affairs?</p> <p>17 A. Yes.</p> <p>18 Q. Now, HDMA also conducts lobbying</p> <p>19 activity on behalf of its members, correct?</p> <p>20 A. Yes.</p> <p>21 Q. And we've already covered that its</p> <p>22 members -- HDA's membership includes</p> <p>23 manufacturers and distributors, correct?</p> <p>24 MS. CHARLES: Objection. Form.</p> <p>25 A. The membership includes manufacturers</p>
<p style="text-align: right;">Page 87</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Okay. To McKesson's understanding,</p> <p>3 has HDMA ever disavowed these guidelines?</p> <p>4 MS. MCCLURE: Objection. Form.</p> <p>5 A. I'm not sure I know what you mean by</p> <p>6 "disavowed." But, again, disavowing is not</p> <p>7 something HDA does.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. As far as McKesson's understanding,</p> <p>10 these Industry Compliance Guidelines still</p> <p>11 represent HDMA's position on this issue?</p> <p>12 MS. CHARLES: Objection. Form.</p> <p>13 A. I wouldn't say position on the issue,</p> <p>14 no. They're guidelines.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. And McKesson's understanding is these</p> <p>17 remain the guidelines of HDMA?</p> <p>18 A. Yes. These are the HDMA guidelines,</p> <p>19 yes.</p> <p>20 Q. Which department within McKesson would</p> <p>21 have had the ability to review and comment on</p> <p>22 this preamble before it was added?</p> <p>23 A. It would have been the public affairs</p> <p>24 department, and possibly others within the</p> <p>25 company. But certainly the public affairs</p>	<p style="text-align: right;">Page 89</p> <p>1 and distributors, yes.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. I'm going to show you what we've</p> <p>4 marked as Ganley 11.</p> <p>5 (Whereupon, McKesson-Ganley-011 was</p> <p>6 marked for identification.)</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Do you recognize this document?</p> <p>9 A. Yes, I do.</p> <p>10 Q. Okay. Did you have the opportunity to</p> <p>11 review this in preparation for this deposition</p> <p>12 today?</p> <p>13 A. Yes, I believe so.</p> <p>14 Q. And do you see that this is a</p> <p>15 November, 2014 e-mail that was forwarded on by</p> <p>16 Michael Oriente?</p> <p>17 A. Yes.</p> <p>18 Q. And he sent the e-mail to Nate Hartle,</p> <p>19 amongst others, correct?</p> <p>20 A. Yes, there are a number of recipients.</p> <p>21 Q. And if you look down, about halfway</p> <p>22 down the page you see the e-mail that he's</p> <p>23 forwarding actually comes from HDMA, correct?</p> <p>24 A. Yes.</p> <p>25 Q. Second paragraph of the letter, you</p>

<p style="text-align: right;">Page 90</p> <p>1 see that they say, "Here at HDMA, we hope the 2 productive exchange of ideas and teamwork will 3 continue throughout the coming year and we look 4 forward to continuing to work together to 5 advocate for your member company interests." 6 Do you see that? 7 MS. CHARLES: Objection. Form. 8 A. I do see it. 9 BY MR. GADDY: 10 Q. And is that consistent with McKesson's 11 understanding that one of the things that HDMA 12 did was advocate for its member company 13 interests? 14 A. Yes, that's what it says here. 15 Q. Well, I'm asking, is that consistent 16 with McKesson's understanding of one of the 17 things that HDMA does for its members? 18 A. Yes. 19 Q. If you turn to Page 3 of the document, 20 and again the page number is up at the top 21 right, do you see this Summary of the 2014 -- 22 tell us what that acronym stands for. 23 A. The SGAC acronym? 24 Q. Yes. 25 A. State Government Affairs Committee.</p>	<p style="text-align: right;">Page 92</p> <p>1 expects its members to lobby as well? 2 MS. CHARLES: Objection. Form, beyond 3 the scope. 4 A. Depending on the issue, yeah. 5 BY MR. GADDY: 6 Q. If you turn to Page 4, do you see in 7 the first bolded section it asks "How should 8 success be measured in the states?" 9 Do you see that? 10 A. Yes. 11 Q. And the first standard that the HDMA 12 lists based out of the discussion of the State 13 Government Affairs Committee for measuring 14 success in the states would be to "Prevent 15 onerous legislation from being enacted." 16 Do you see that? 17 MS. CHARLES: Objection. Form. 18 A. I do see it. 19 BY MR. GADDY: 20 Q. And from McKesson's participation 21 within the HDMA, is that McKesson's 22 understanding of one of the goals of the State 23 Government Affairs Committee, is to prevent 24 onerous legislation from being enacted? 25 A. Yes.</p>
<p style="text-align: right;">Page 91</p> <p>1 Q. Were you -- did you participate on 2 that committee in 2014? 3 A. For part of 2014 I did, yes. 4 Q. Do you know if you attended that 5 summer retreat? 6 A. I don't know when the retreat was. I 7 would have stopped participating in the State 8 Government Affairs Committee in July. I don't 9 know when this meeting was. 10 Q. Okay. And one of the things, or one 11 of the primary things that the State Government 12 Affairs Committee does is direct state lobbying 13 efforts, correct? 14 MS. CHARLES: Objection. Form. 15 A. Yes. 16 BY MR. GADDY: 17 Q. And if we look kind of through the 18 list, there's several kind of questions and 19 answers or topics about -- as it relates to 20 lobbying. Do you see at the bottom of the page 21 it asks, "Are members participating in the 22 desired amount of lobbying efforts?" 23 Do you see that? 24 A. Yes. 25 Q. So in addition to HDMA lobbying, it</p>	<p style="text-align: right;">Page 93</p> <p>1 Q. And by "onerous legislation," as far 2 as onerous to who, that would be onerous 3 legislation to the wholesale distributors, 4 correct? 5 MS. CHARLES: Objection. Form. 6 A. I think onerous could mean that and 7 more. 8 BY MR. GADDY: 9 Q. Okay. Well, they would not want -- 10 the members of the HDMA would not want 11 legislation that was onerous to its members, to 12 them, correct? 13 MS. CHARLES: Objection. Form, beyond 14 the scope. 15 MS. MCCLURE: Objection. 16 A. To distributors, yes. 17 BY MR. GADDY: 18 Q. And that's McKesson's understanding 19 from their participation within the HDMA, and 20 specifically your participation in the State 21 Government Affairs Committee, true? 22 MS. CHARLES: Objection. Form. 23 A. When you say that's my understanding, 24 what's "that"? I don't -- 25 BY MR. GADDY:</p>

<p style="text-align: right;">Page 94</p> <p>1 Q. McKesson's understanding from your 2 participation within HDMA, and specifically on 3 the State Government Affairs Committee, is that 4 one of McKesson's goals would have been to 5 prevent onerous legislation from being enacted? 6 MS. CHARLES: Objection. Form. 7 A. The goal of the State Government 8 Affairs Committee -- one of the goals of the 9 State Government Affairs Committee is to prevent 10 onerous legislation from being enacted. 11 BY MR. GADDY: 12 Q. I'm going to show you what I'm going 13 to mark as Ganley 12. 14 (Whereupon, McKesson-Ganley-012 was 15 marked for identification.) 16 A. Thank you. 17 BY MR. GADDY: 18 Q. Do you recognize this document? 19 A. Yes. 20 Q. And is this a document that you 21 specifically reviewed in preparation for this 22 deposition today? 23 A. I'm not sure. 24 Q. But it's an e-mail you've seen? 25 A. Yes.</p>	<p style="text-align: right;">Page 96</p> <p>1 Q. And the subject of this e-mail is 2 "State Drug Abuse Task Force Chart." 3 Do you see that? 4 A. Yes. 5 Q. If you turn to Page 2, you see the 6 front page of the State Drug Abuse Task Force, 7 correct? Of the chart, I'm sorry. 8 A. Yes. 9 Q. What are State Drug Abuse Task Forces? 10 MS. CHARLES: Objection. Beyond the 11 scope. 12 A. So I believe that the states had set 13 up various task forces to look at the drug abuse 14 issue, or to tackle the drug abuse issue, many, 15 many states did that. And what I believe this 16 to be is sort of a document that captures the 17 activity within those task forces. 18 BY MR. GADDY: 19 Q. Okay. Would it be fair to say that 20 McKesson's understanding, based on participation 21 within HDA, of the State Drug Abuse Task Forces 22 is that the general goals of these task forces 23 were to prevent or reduce prescription drug 24 abuse? 25 MS. MCCLURE: Objection.</p>
<p style="text-align: right;">Page 95</p> <p>1 Q. If you look at the top of the page, do 2 you see this is an e-mail from an employee of 3 HDMA? 4 A. Yes. 5 Q. And he's writing to the State 6 Government Affairs Committee? 7 A. It says to SGAC, yes. I can't say who 8 is actually in the "To" field. 9 Q. Is that -- I'm glad you mentioned 10 that. Is that something that's common now; when 11 you receive e-mails from HDMA, do you generally 12 see who all is receiving the e-mail, or is it a 13 blind copy format, or is it a Listserv, or do 14 you know? 15 A. It all depends. And I don't know that 16 there's any particular logic to it, to be honest 17 with you. I think, as I said to you, sometimes 18 these task forces have lots of members, and so I 19 think for ease or convenience when sending to a 20 large group like that, they use the BCC field. 21 Q. And it looks like that's what was done 22 in this case, because he sent it to himself? 23 A. I would assume, yes. 24 Q. And ended up in McKesson's file? 25 A. It says "To SGAC," so yes.</p>	<p style="text-align: right;">Page 97</p> <p>1 MS. CHARLES: Objection. Form. 2 A. Probably all drug abuse, but yes. 3 And, you know, I can't speak to the 4 mission statement of each one of the different 5 states' Drug Abuse Task Force, but probably 6 prescription drug abuse, and illicit drug abuse, 7 and drug abuse generally. 8 BY MR. GADDY: 9 Q. That's fair. 10 And McKesson and all other HDMA 11 members via HDA were keeping track of what was 12 going on in those different task forces, 13 correct? 14 MS. CHARLES: Objection. Form, beyond 15 the scope. 16 A. Yes. Well, let me rephrase. 17 HDA was on behalf of the industry. 18 BY MR. GADDY: 19 Q. Correct, on behalf of its members? 20 A. Right. 21 Q. Which includes McKesson? 22 A. Right. 23 Q. Which includes Cardinal Health? 24 A. Yes. 25 Q. Which includes AmerisourceBergen?</p>

<p style="text-align: right;">Page 98</p> <p>1 MS. CHARLES: Objection to form. 2 BY MR. GADDY: 3 Q. Correct? 4 A. Yes. 5 Q. Which includes Purdue Pharma, correct? 6 MS. CHARLES: Objection. Form. 7 A. Yes. 8 BY MR. GADDY: 9 Q. Which includes Endo, Teva, Johnson & 10 Johnson, Janssen, correct? 11 MS. CHARLES: Objection to form. 12 A. The membership includes those people? 13 BY MR. GADDY: 14 Q. Yes. 15 A. Yes, the membership includes those 16 people. 17 Q. And if you look just here -- 18 A. Those manufacturers, though, would not 19 have been on this e-mail, so that's the 20 distinction I'm trying to draw. They don't 21 participate in the SGAC or the FGAC. 22 Q. But they're all members of HDA? 23 A. They're members of HDA. 24 Q. If you just look at the first page 25 here, you see there are several states where</p>	<p style="text-align: right;">Page 100</p> <p>1 Q. Turn to Page 5 for me, please. 2 Does McKesson agree that a state 3 having a drug abuse task force is a good thing? 4 MS. CHARLES: Objection. Beyond the 5 scope. 6 A. Yes. 7 BY MR. GADDY: 8 Q. And you see here on Page 5 there's an 9 entry for the state of New Jersey, correct? 10 A. I don't see New Jersey here. On 5? 11 Q. I'm sorry, look at the number on the 12 top right-hand. 13 A. Sorry. 14 Yes. That's what it says. 15 Q. And under next to "New Jersey" under 16 the column of "Relevance," it says that "On 17 April 29, 2015 Governor Christie signed three 18 bills aimed at preventing prescription drug and 19 opioid abuse, creating more medicine drop-off 20 locations statewide and another establishing a 21 statewide Opioid Law Enforcement Task Force." 22 Do you see that? 23 A. I do see that. 24 Q. Does McKesson agree that bills aimed 25 at preventing prescription drug and opioid abuse</p>
<p style="text-align: right;">Page 99</p> <p>1 HDMA's -- under the column of "HDMA Action," it 2 indicates that HDMA is monitoring what's 3 happening with these different task forces? 4 A. That's what it says, yes. 5 Q. Would it be fair to say that one of 6 the reasons that HDMA is monitoring what's 7 happening within these task forces is that they 8 want to be on the lookout for any potential 9 onerous legislation that is proposed out of any 10 of these task forces? 11 MS. CHARLES: Objection. Form, beyond 12 the scope. 13 A. I mean, I think HDA has an interest in 14 understanding what's going on in the task forces 15 for a whole host of reasons. I mean, these are 16 public policy task forces that are going to come 17 up with public policies that impact healthcare 18 in our industry. 19 BY MR. GADDY: 20 Q. And they could come up with 21 legislation that could impact your industry as 22 well? 23 MS. CHARLES: Objection. Form. 24 A. Yeah. 25 BY MR. GADDY:</p>	<p style="text-align: right;">Page 101</p> <p>1 would be a good thing? 2 MS. CHARLES: Objection. Beyond the 3 scope. 4 A. I wouldn't say -- that's too general 5 to answer. 6 BY MR. GADDY: 7 Q. Okay. 8 A. I mean, you could have a bill that was 9 aimed at preventing prescription drug abuse that 10 was not good, that we didn't think would solve 11 the problem, that we would think would be a bad 12 bill and a different solution. I mean, we are 13 committed to solving the prescription drug abuse 14 problem, but not every bill that has that aim is 15 necessarily -- we would necessarily endorse or 16 agree with. 17 Q. Understood. 18 McKesson agrees that preventing 19 prescription drug and opioid abuse is a good 20 thing, correct? 21 A. Yes. Of course. 22 MS. CHARLES: Objection. Beyond the 23 scope. 24 BY MR. GADDY: 25 Q. Two columns over under "HDMA Action,"</p>

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<p>1 do you see where it says, "HDMA will continue to</p> <p>2 track further legislation that is a result of</p> <p>3 these recent bills. In addition to possibly new</p> <p>4 programs, HDMA will monitor how programs are</p> <p>5 paid for and if it affects our industry."</p> <p>6 Do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. And is this another example of HDMA</p> <p>9 monitoring potential legislation that may come</p> <p>10 out of these drug abuse task forces?</p> <p>11 MS. CHARLES: Objection. Form.</p> <p>12 A. Yes, it says, "HDMA will continue to</p> <p>13 track further legislation."</p> <p>14 BY MR. GADDY:</p> <p>15 Q. And would it also be fair to say that</p> <p>16 if it is determined that New Jersey wants</p> <p>17 wholesale distributors to pay for some of these</p> <p>18 plans, that would be an example of legislation</p> <p>19 that would be onerous to the wholesale</p> <p>20 distributors?</p> <p>21 MS. CHARLES: Objection. Form, beyond</p> <p>22 the scope.</p> <p>23 A. Not necessarily.</p> <p>24 BY MR. GADDY:</p> <p>25 Q. But certainly HDMA was going to</p>	<p>1 A. Yes.</p> <p>2 Q. And again, it's addressed to the State</p> <p>3 Government Affairs Committee within HDMA?</p> <p>4 A. That's correct.</p> <p>5 Q. And it looks like it attaches an</p> <p>6 agenda, correct?</p> <p>7 A. Yes. It says, "Call Agenda and</p> <p>8 Materials."</p> <p>9 Q. If you turn the page, you see the</p> <p>10 agenda, correct?</p> <p>11 A. I do.</p> <p>12 Q. And under "State Activity Discussion,"</p> <p>13 the third item down is "Tennessee ARCOS</p> <p>14 Reporting"?</p> <p>15 A. Yes.</p> <p>16 Q. Turn for me, if you would, please, to</p> <p>17 Page 39, again using the numbers in the top</p> <p>18 right-hand corner of the page.</p> <p>19 A. Okay.</p> <p>20 Q. And do you see we're -- here we're</p> <p>21 looking at a chart that lists states and bills</p> <p>22 that have been proposed in different states?</p> <p>23 A. Yes.</p> <p>24 Q. And at the bottom of the page it</p> <p>25 starts a section entitled "Controlled</p>
Page 103	Page 105
<p>1 continue tracking to see who was going to have</p> <p>2 to pay for these programs that Governor Christie</p> <p>3 was suggesting, correct?</p> <p>4 MS. CHARLES: Objection. Form, beyond</p> <p>5 the scope.</p> <p>6 A. This says, "HDMA will monitor how</p> <p>7 programs are paid for."</p> <p>8 BY MR. GADDY:</p> <p>9 Q. So yes?</p> <p>10 MS. CHARLES: Same objections.</p> <p>11 A. That's what it says, yes.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. I'm going to show you what I'm going</p> <p>14 to mark as Ganley 13.</p> <p>15 (Whereupon, McKesson-Ganley-013 was</p> <p>16 marked for identification.)</p> <p>17 A. Thank you.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Do you recognize this document?</p> <p>20 A. Yes, I do.</p> <p>21 Q. And is this another document that you</p> <p>22 reviewed in preparation for this deposition?</p> <p>23 A. Yes.</p> <p>24 Q. And do you see this as being an</p> <p>25 October 24, 2014 e-mail from HDMA?</p>	<p>1 Substance"?</p> <p>2 A. Yes, it says, "Controlled Substance</p> <p>3 (Not Scheduling)."</p> <p>4 Q. If you flip the page to 40, do you see</p> <p>5 that it addresses two bills within the state of</p> <p>6 Tennessee?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. And the first one, starting the</p> <p>9 second column from the left, do you see it says,</p> <p>10 "Suspicious Orders Legislation"?</p> <p>11 A. The first one?</p> <p>12 Q. Yes, the one on the top.</p> <p>13 A. Yes.</p> <p>14 Q. It says, "Requires wholesalers to take</p> <p>15 reasonable measures to identify suspicious</p> <p>16 orders. Any orders greater than 5,000 unit</p> <p>17 doses of any controlled substance shall assess."</p> <p>18 Do you see that?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And then over in the right-hand</p> <p>21 column, do you see the note that was inserted</p> <p>22 from HDMA?</p> <p>23 A. Yes.</p> <p>24 Q. And it indicates that "Was amended to</p> <p>25 include HDMA language."</p>

<p style="text-align: right;">Page 106</p> <p>1 Do you see that?</p> <p>2 A. I do.</p> <p>3 Q. And based on McKesson's participation</p> <p>4 within the HDMA, and specifically your</p> <p>5 participation in the State Government Affairs</p> <p>6 Committee, would it be McKesson's understanding</p> <p>7 that HDMA had language inserted into that Texas</p> <p>8 bill -- I'm sorry, into that Tennessee bill?</p> <p>9 MS. CHARLES: Objection. Form.</p> <p>10 A. It's my understanding that the bill</p> <p>11 was amended to include language that was</p> <p>12 recommended by HDMA.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. So HDMA actually had a hand in writing</p> <p>15 the law that was going to directly apply to the</p> <p>16 wholesale distributors within the state of</p> <p>17 Tennessee?</p> <p>18 MS. CHARLES: Objection. Beyond the</p> <p>19 scope, form.</p> <p>20 A. I would not agree with that, no.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. This indicates that HDMA had language</p> <p>23 included in the bill, correct?</p> <p>24 MS. CHARLES: Objection.</p> <p>25 BY MR. GADDY:</p>	<p style="text-align: right;">Page 108</p> <p>1 Department - Current."</p> <p>2 Do you see that?</p> <p>3 A. Yes.</p> <p>4 Q. It indicates that the current State</p> <p>5 Government Affairs budget for 2014 was \$883,889.</p> <p>6 Do you see that?</p> <p>7 MS. CHARLES: Objection. Beyond the</p> <p>8 scope.</p> <p>9 A. I see that.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. And is that consistent with your</p> <p>12 understanding, with McKesson's understanding</p> <p>13 based on their participation within the HDA?</p> <p>14 MS. CHARLES: Objection. Form.</p> <p>15 A. It what consistent, the dollar figure?</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Sure.</p> <p>18 MS. CHARLES: Objection. Form.</p> <p>19 A. I wouldn't necessarily have line of</p> <p>20 sight to what their budget is, but that's what</p> <p>21 it says.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. And that's not surprising to McKesson,</p> <p>24 that HDMA has a budget of \$883,000 dedicated to</p> <p>25 State Government Affairs lobbying, correct?</p>
<p style="text-align: right;">Page 107</p> <p>1 Q. Can we agree on that?</p> <p>2 MS. CHARLES: Same objections.</p> <p>3 A. It was amended to include language</p> <p>4 that HDMA had recommended, yes.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. Okay. I show you what's been marked</p> <p>7 as Ganley 14.</p> <p>8 (Whereupon, McKesson-Ganley-014 was</p> <p>9 marked for identification.)</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Do you recognize this document?</p> <p>12 A. Yes.</p> <p>13 Q. And do you recognize this to be a</p> <p>14 PowerPoint or presentation from the State</p> <p>15 Government Affairs Annual Meeting in November of</p> <p>16 2014?</p> <p>17 A. That's what it says, yep.</p> <p>18 Q. Would you have attended this meeting?</p> <p>19 A. I don't believe so. I'm not positive.</p> <p>20 I may have, but it would have been after July</p> <p>21 when I switched over to federal, but...</p> <p>22 Q. Can you turn to Page 5 for me, please?</p> <p>23 A. Yes.</p> <p>24 Q. And do you see the title of the slide</p> <p>25 here is "HDMA State Government Affairs</p>	<p style="text-align: right;">Page 109</p> <p>1 MS. CHARLES: Objection. Form.</p> <p>2 A. No.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. And it indicates that there is an</p> <p>5 additional budget of \$235,000 for contract</p> <p>6 lobbyists, correct?</p> <p>7 A. That's what it says.</p> <p>8 Q. So over a million dollars at HDMA's</p> <p>9 disposal to conduct lobbying on behalf of its</p> <p>10 members within State Government Affairs issues,</p> <p>11 correct?</p> <p>12 MS. CHARLES: Objection. Form, beyond</p> <p>13 the scope.</p> <p>14 A. I wouldn't agree with the</p> <p>15 characterization "at their disposal." It's</p> <p>16 their budget for the State Government Affairs</p> <p>17 team.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Where does their budget come from?</p> <p>20 A. The dues of members.</p> <p>21 Q. Okay. All members pay dues?</p> <p>22 MS. CHARLES: Objection. Beyond the</p> <p>23 scope, form.</p> <p>24 A. I believe so.</p> <p>25 BY MR. GADDY:</p>

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1 Q. Okay. McKesson certainly pays dues to
2 HDA, correct?
3 A. We do.
4 Q. How much does McKesson pay?
5 A. It's -- I know the total dollar figure
6 we pay to HDA. I don't know what the dues are.
7 Some of it is for conferences and events and
8 stuff, so I haven't seen the breakdown of what
9 the dues are.
10 Q. What's the total dollar figure that
11 McKesson pays to HDA?
12 A. For the most recent year, it was
13 \$4 million.
14 Q. What was it the year before that?
15 A. Around \$1.5 million.
16 Q. What was it the year before that?
17 A. I don't know the answer to that.
18 Probably -- I don't know. I'd be guessing.
19 Q. Okay. Can you tell me with any
20 accuracy whatsoever the amount that McKesson
21 paid to HDA, other than the 4 million for last
22 year and the 1.5 million for the year before
23 that?
24 A. Can I tell you what the previous years
25 were with any accuracy?

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1 Q. Yes.
2 A. No.
3 Q. In addition to dues, what are other
4 ways in which McKesson pays money to HDA?
5 MS. CHARLES: Objection. Form.
6 A. There could be a number of different
7 ways. If HDA was going to do a -- you know,
8 participate in a trade show of some kind, there
9 might be an assessment that they would pro rata
10 assess the members to pay for if it was some
11 kind of expense that wasn't anticipated in the
12 budget. If they were going to do any
13 advertising, something like that.
14 BY MR. GADDY:
15 Q. What's your understanding of why --
16 just so I understand, are the payments made on a
17 traditional calendar basis? So when you say
18 "most recent year," would that be \$4 million in
19 2017, or is it a fiscal year type concept?
20 A. I don't know whether it's fiscal year
21 or calendar year. But yes, there's an annual
22 bill.
23 Q. Was the \$4 million for 2017, is that
24 how you would characterize it, or 2018?
25 A. I think it was 2018.

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1 Q. Okay. One and a half million in 2017?
2 A. I believe that's right.
3 Q. Why was there an additional two and a
4 half million dollars expended in 2018 that
5 wasn't expended in 2017?
6 A. HDA had expenses related to
7 advertising and public affairs that were outside
8 of the scope of the budget that was originally
9 contemplated.
10 Q. What were the advertising and public
11 affairs expenditures directed to?
12 A. There was a host of things. There was
13 the -- I'm butchering the name of the coalition.
14 They created a coalition called The Alliance
15 Against Opioid Abuse, I believe, that HDA is
16 helping to organize, so a group of stakeholders
17 focused on how to curb public policy solutions
18 to prescription drug abuse.
19 Q. Did the increase of two and a half
20 million dollars in expenditures from 2017 to
21 2018 also have to do with HDA's response to the
22 Washington Post articles that came out in 2017?
23 MS. CHARLES: Objection. Form.
24 A. Yes.
25 BY MR. GADDY:

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1 Q. Did it also have to do with the
2 60 Minutes episode from CBS that came out in
3 2017?
4 MS. CHARLES: Same objection.
5 A. Yes.
6 BY MR. GADDY:
7 Q. Can you tell us how much of the
8 additional expenditures by McKesson, how much of
9 that two and a half million dollars was related
10 to facilitating HDA's response to the Washington
11 Post articles and the CBS 60 Minutes episodes?
12 MS. CHARLES: Objection. Form.
13 A. I can't. I don't know what is
14 attributable to -- the dues at HDA are
15 calculated on the basis of your annual revenue,
16 so larger members pay more than smaller members.
17 So I can't tell you what percentage of that
18 increase is attributed to public affairs and
19 advertising efforts.
20 BY MR. GADDY:
21 Q. What other members would be in the
22 same category as McKesson as far as size and,
23 therefore, paying more?
24 MS. CHARLES: Objection. Beyond the
25 scope, form.

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<p>1 A. I'm not familiar enough with all the 2 revenue numbers for all the members. But in the 3 same order of magnitude, Cardinal, ABC, 4 certainly. 5 Q. ABC is AmerisourceBergen? 6 A. Yes. 7 Q. If we go back to the document, do we 8 see here that HDMA has an employee obligated to 9 cover state legislation in all 50 states in the 10 country? 11 MS. CHARLES: Objection. Beyond the 12 scope. 13 A. Yes. 14 BY MR. GADDY: 15 Q. If we turn to the next page -- 16 A. This is not accurate as of now, 17 though. 18 Q. As far as who is covering what 19 section? 20 A. Three of these people listed are no 21 longer with HDA. 22 Q. Okay. 23 A. And I don't know the size of their 24 State Government Affairs team now. I believe 25 it's smaller, but it might still be four people.</p>	<p>1 the scope. 2 A. I have no idea where they got that 3 number. 4 BY MR. GADDY: 5 Q. Well, we saw earlier today there's 6 only 36 wholesale distributors that are members 7 of HDMA, correct? 8 A. That's correct. 9 Q. And then we also saw earlier today 10 that there are approximately 120 manufacturing 11 members who are members of HDMA, correct? 12 A. That's correct. The State Government 13 Affairs Committee would have about six people in 14 the meeting, so I don't know where they get 158 15 member company representatives. 16 Q. But that's what they say? 17 MS. CHARLES: Objection. Beyond the 18 scope. 19 A. That's what the document says. 20 BY MR. GADDY: 21 Q. It says that it's representing the 22 interests of 158 company representatives -- 23 member company representatives, correct? 24 MS. CHARLES: Objection. Form, beyond 25 the scope.</p>
Page 115	Page 117
<p>1 I'm not sure. 2 Q. But it is true -- 3 A. This is as of 2014. 4 Q. Understand. 5 But it is true that HDMA continues to 6 monitor state legislation in all 50 states? 7 MS. CHARLES: Objection. Beyond the 8 scope. 9 A. Yes, that is true. 10 BY MR. GADDY: 11 Q. If you turn to Page 6, do you see that 12 it lists kind of an organization or a structure 13 chart there for the State Government Affairs 14 agency? 15 A. Yes. 16 Q. And over to the right, do you see that 17 it says, "Currently 158 member company 18 representatives"? 19 Do you see that? 20 A. Yes. 21 Q. And would it be consistent with your 22 understanding that that includes both the 23 distributors and the manufacturers who are 24 members of HDMA? 25 MS. CHARLES: Objection. Form, beyond</p>	<p>1 A. I don't know what it's saying. It 2 says, "Currently 158 member company 3 representatives." I'm saying that's a gross 4 exaggeration. 5 BY MR. GADDY: 6 Q. If you turn to the next page, Page 7, 7 do you recognize this as being a priority list 8 dashboard? 9 A. Yes. It says, "Dashboard Priorities 10 for SGA." 11 Q. Is this a format that you've seen 12 before in your work with HDMA? 13 A. Yes. 14 Q. And the top item that's highlighted is 15 "Controlled Substance Issues." 16 Do you see that? 17 A. Yes. 18 Q. And you see that that's listed as a 1 19 for not only SGA, but also FGA, which is Federal 20 Government Affairs? 21 A. Yes. 22 Q. Regulatory Affairs next to -- to the 23 right? 24 A. Yes. 25 Q. And also public affairs?</p>

<p style="text-align: right;">Page 118</p> <p>1 A. I don't know what "PA" stands for.</p> <p>2 Q. Okay. Well, 1 would be top priority,</p> <p>3 correct?</p> <p>4 MS. CHARLES: Objection. Beyond the</p> <p>5 scope.</p> <p>6 A. Yeah.</p> <p>7 MS. CHARLES: Form.</p> <p>8 A. Yes.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. Okay. And then farther down on the</p> <p>11 right, for the Education Committee, controlled</p> <p>12 substance issues are a priority 2, is that</p> <p>13 correct?</p> <p>14 A. Yes, that's what it says.</p> <p>15 Q. So it's a top priority for Federal</p> <p>16 Government Affairs which does federal lobbying,</p> <p>17 correct?</p> <p>18 MS. CHARLES: Objection. Beyond the</p> <p>19 scope.</p> <p>20 A. Yeah, it's Federal Government Affairs.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. And it's a top priority -- controlled</p> <p>23 substance issues are a top priority for Federal</p> <p>24 Government Affairs, correct?</p> <p>25 MS. CHARLES: Same objection.</p>	<p style="text-align: right;">Page 120</p> <p>1 MS. CHARLES: Objection. Beyond the</p> <p>2 scope.</p> <p>3 A. I don't know.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Is AmerisourceBergen a member of that?</p> <p>6 MS. CHARLES: Same objection.</p> <p>7 A. I don't know.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Does NACDS also conduct lobbying</p> <p>10 activity on behalf of its members?</p> <p>11 MS. CHARLES: Same objection.</p> <p>12 A. They do conduct lobbying activity,</p> <p>13 yes.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Okay. And do you see here it</p> <p>16 indicates they also have directors charged with</p> <p>17 covering the entire 50 states?</p> <p>18 MS. CHARLES: Objection. Form.</p> <p>19 A. I think so. That seems to be what</p> <p>20 this chart indicates. But they don't have any</p> <p>21 names here, so I don't...</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Does McKesson pay money to the NACDS?</p> <p>24 A. We pay dues, yes.</p> <p>25 Q. How much does McKesson pay to them?</p>
<p style="text-align: right;">Page 119</p> <p>1 A. That's what it says, yes.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Top priority for State Government</p> <p>4 Affairs, correct?</p> <p>5 A. That's what it says, yes.</p> <p>6 Q. Top priority for Regulatory Affairs,</p> <p>7 correct?</p> <p>8 MS. CHARLES: Same objection.</p> <p>9 A. That's what it says.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. When it comes to the Education</p> <p>12 Committee, it's a level 2 priority, correct?</p> <p>13 MS. CHARLES: Same objection.</p> <p>14 A. That's what this says.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. On Page 8, it refers to the NACDS as a</p> <p>17 colleague organization.</p> <p>18 Do you see that?</p> <p>19 A. That's what it says.</p> <p>20 Q. That stands for the National</p> <p>21 Association of Chain Drugstores?</p> <p>22 A. Yes.</p> <p>23 Q. Is McKesson a member of that?</p> <p>24 A. We are.</p> <p>25 Q. Is Cardinal Health a member of that?</p>	<p style="text-align: right;">Page 121</p> <p>1 A. I think it is several hundred thousand</p> <p>2 dollars.</p> <p>3 Q. Would that be consistent over the last</p> <p>4 several years?</p> <p>5 A. I don't know the answer to that, but I</p> <p>6 would think it wouldn't have changed much.</p> <p>7 Q. Back to the amount of money that</p> <p>8 McKesson pays to the HDA, going back several</p> <p>9 years prior to the 4 million and the one and a</p> <p>10 half million dollar figures that you told me,</p> <p>11 would their annual contributions to HDA be</p> <p>12 closer to the one and a half million, or the 4</p> <p>13 million?</p> <p>14 MS. CHARLES: Objection. Form.</p> <p>15 A. They would be closer to the one and a</p> <p>16 half million, and they would decrease over time</p> <p>17 as you go backwards, because they're tied to</p> <p>18 revenue.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. I understand.</p> <p>21 A. So as the company has grown, our dues</p> <p>22 have gone up. Depending on what time period</p> <p>23 you're looking at. If revenue is up, the dues</p> <p>24 would go up; if revenue was down, the dues would</p> <p>25 go down.</p>

<p style="text-align: right;">Page 122</p> <p>1 Q. Now, we looked at a State Government 2 Affairs document earlier that discussed the 3 concept of measuring success by preventing the 4 passage of onerous legislation. 5 Do you remember that? 6 MS. CHARLES: Objection. Form. 7 A. It was one of the goals, yes -- 8 BY MR. GADDY: 9 Q. Okay. 10 A. -- that was listed. One of many. 11 Q. And in attempting to meet their goals, 12 would it be fair to say that the HDMA would 13 expect that from time to time there would be 14 particular challenges that they would have to 15 face? 16 MS. CHARLES: Objection. Form, beyond 17 the scope. 18 A. I'm not sure I know what you mean by 19 "challenges." 20 BY MR. GADDY: 21 Q. Well, let's look at this. Turn to 22 Page 4 for me, please? 23 A. Of this document, 14? 24 Q. You see up at the very top it says 25 "Challenges on the Horizon."</p>	<p style="text-align: right;">Page 124</p> <p>1 prescription abuse and diversion." 2 MS. CHARLES: Objection. Form. 3 BY MR. GADDY: 4 Q. Is that correct? 5 A. That's what it says, yeah. 6 Q. And that's McKesson's understanding as 7 it relates to its participation within the HDA, 8 and specifically its participation in the State 9 Government Affairs Committee, correct? 10 A. What's McKesson's understanding? 11 Q. That this is one of the challenges 12 that HDA was going to face moving forward? 13 MS. CHARLES: Objection. Form. 14 A. Yes, "State efforts to address, 15 reduce, prevent Rx abuse and diversion" was a 16 public policy we were interested in, yes. 17 BY MR. GADDY: 18 Q. It was a challenge for you, correct? 19 MS. CHARLES: Objection. Form. 20 BY MR. GADDY: 21 Q. That's how it's listed here? 22 A. This is listed generally, so an 23 individual piece of legislation could pose a 24 challenge, or it could not, depending on what 25 was in the piece of legislation. So state</p>
<p style="text-align: right;">Page 123</p> <p>1 Do you see that? 2 A. Yes, that's what it says. 3 Q. And we're talking about challenges to 4 the State Government Affairs Committee, correct? 5 MS. CHARLES: Objection. Beyond the 6 scope. 7 A. It's in the State Government Affairs 8 document, yes. 9 BY MR. GADDY: 10 Q. Okay. And this is a committee that 11 McKesson serves on, correct? 12 A. Correct. 13 Q. And the first challenge that it lists 14 that they're going to face is what? 15 MS. CHARLES: Objection. Form. 16 A. I'm not sure it's first, I mean, it's 17 at the top of the bullet list here, but it's 18 "State efforts to address, reduce, prevent Rx 19 abuse and diversion." 20 BY MR. GADDY: 21 Q. And "Rx" means prescription, right? 22 A. Yes. 23 Q. So the first challenge listed here for 24 the State Government Affairs Committee is "State 25 efforts to address, reduce, or prevent</p>	<p style="text-align: right;">Page 125</p> <p>1 efforts generally. 2 Q. Now, HDMA also conducts federal 3 lobbying on behalf of its members, correct? 4 A. Yes. 5 Well, let me just comment on the form. 6 "On behalf of" has implications in the lobbying 7 laws, so I wouldn't say on behalf of. I would 8 say HDMA conducts federal lobbying representing 9 the issues affecting the industry. 10 Q. Understood. 11 A. HDMA is not a lobbyist for McKesson 12 and registered as such under the laws. There's 13 nuance there. 14 Q. There's one in particular, one law 15 that's been passed in particular that has gotten 16 a lot of attention. Agree with that? 17 MS. CHARLES: Objection to form. 18 Beyond the scope. 19 A. I'm not sure what law you're talking 20 about. 21 BY MR. GADDY: 22 Q. You're really not? 23 A. Related to opioid abuse? 24 Q. Yes. 25 A. S. 483, I assume.</p>

<p style="text-align: right;">Page 126</p> <p>1 Q. We talked earlier about the Washington 2 Post article and the CBS 60 Minutes episode, and 3 that was directly related to what you just 4 called S. 483, correct? 5 A. Yes. 6 Q. Do you know the name of that bill, or 7 that law? 8 MS. CHARLES: Objection. Beyond the 9 scope. 10 A. The Ensuring Patient Access and 11 Effective Drug Control Act, I think. 12 BY MR. GADDY: 13 Q. And that's a bill that McKesson 14 actively supported, correct? 15 A. Yes. 16 Q. It's a bill that the HDMA actively 17 supported, correct? 18 A. Yes. 19 Q. It's a bill that all of HDA members 20 actively supported, correct? 21 MS. MCCLURE: Objection. 22 MS. CHARLES: Objection, beyond the 23 scope, form. 24 A. I don't know the answer to that. 25 BY MR. GADDY:</p>	<p style="text-align: right;">Page 128</p> <p>1 Do you see that? 2 A. Yes. 3 Q. So president and CEO of HDMA advocated 4 directly to Congress for this bill, correct? 5 MS. CHARLES: Objection. Form, beyond 6 the scope. 7 A. Yes. 8 BY MR. GADDY: 9 Q. From McKesson's point of view, did you 10 have an understanding of the goal of that bill? 11 A. Yes. 12 Q. What was that? 13 MS. CHARLES: Objection. Beyond the 14 scope. 15 A. The goal of the bill was to clarify 16 language in the Controlled Substance Act 17 regarding the definition of imminent danger and 18 a corrective action plan. 19 BY MR. GADDY: 20 Q. The definition of imminent danger 21 would be entirely new language, correct? 22 MS. CHARLES: Objection. Beyond the 23 scope, form. 24 A. Imminent danger was not defined -- is 25 not defined in the Act.</p>
<p style="text-align: right;">Page 127</p> <p>1 Q. I'm going to show you what's been 2 marked as Ganley 14. 3 (Whereupon, McKesson-Ganley-015 was 4 marked for identification.) 5 BY MR. GADDY: 6 Q. Do you recognize this as being -- 7 MS. CHARLES: Are we on 14 or 15? 15. 8 BY MR. GADDY: 9 Q. I'm sorry, 15. 10 Mr. Ganley, do you mind striking 11 through that 14 at the bottom and making it 15 12 for me, please? Thank you. 13 Do you recognize this document as 14 being a statement from John Gray? 15 A. That's what it says, yes. 16 Q. And he's the CEO of HDMA, correct? 17 A. Yes. 18 Q. If you turn the page to the top of 19 Page 2, do you see where he says, "I am John 20 Gray, President and CEO of HDMA. Thank you for 21 the opportunity to discuss with the Subcommittee 22 important legislation introduced by 23 Representatives Blackburn and Marino, the 24 Ensuring Patient Access and Effective Drug 25 Enforcement Act"?</p>	<p style="text-align: right;">Page 129</p> <p>1 BY MR. GADDY: 2 Q. Correct. 3 So it would have been new language, 4 correct? 5 MS. CHARLES: Same objections. 6 A. Yes. 7 BY MR. GADDY: 8 Q. And the corrective action plan would 9 be an entirely new clause in the Act, correct? 10 MS. CHARLES: Same objections. 11 A. Yeah, there was an amendment to -- the 12 bill was an amendment to the Controlled 13 Substances Act. 14 BY MR. GADDY: 15 Q. Did you have direct interaction with 16 any member of Congress regarding this bill? 17 MS. CHARLES: Beyond the scope. 18 A. Yes. 19 BY MR. GADDY: 20 Q. Who did you have interaction with? 21 MS. CHARLES: Same objection. 22 A. I'm not sure I could list them all. 23 BY MR. GADDY: 24 Q. Did you have interaction with 25 Congressman Marino?</p>

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1 MS. CHARLES: Same objection.
2 A. Yes.
3 BY MR. GADDY:
4 Q. Congresswoman Blackburn?
5 MS. CHARLES: Same objection.
6 A. Yes.
7 BY MR. GADDY:
8 Q. Senator Hatch?
9 MS. CHARLES: Same objection.
10 A. Yes.
11 BY MR. GADDY:
12 Q. Senator Rubio?
13 MS. CHARLES: Same objection.
14 A. Personally, no, not with Senator
15 Rubio.
16 BY MR. GADDY:
17 Q. From your participation within HDMA,
18 is it your understanding that HDMA also would
19 have had contact with many members of Congress
20 regarding this bill?
21 A. Yes.
22 MS. CHARLES: Objection to form.
23 BY MR. GADDY:
24 Q. I'm going to show you what we're going
25 to mark as Number 16.

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1 (Whereupon, McKesson-Ganley-016 was
2 marked for identification.)
3 BY MR. GADDY:
4 Q. Do you recognize this document?
5 A. Yes.
6 Q. And do you recognize this as being an
7 e-mail from HDMA to several committees within
8 HDMA, including Federal Government Affairs,
9 Regulatory Affairs, and State Government
10 Affairs?
11 A. That's what it says, yes.
12 Q. And do you see down at the bottom of
13 the page here, it looks like a second sentence
14 of that earlier e-mail says, "In light of our
15 continued efforts on Capitol Hill to enact HR
16 471/S 483."
17 Do you see that?
18 A. Yes, I do.
19 Q. And so no doubt this was a bill that
20 HDMA strongly supported?
21 MS. CHARLES: Objection. Form, beyond
22 the scope.
23 A. HDA, or HDMA and then later HDA
24 supported the bill, yes.
25 BY MR. GADDY:

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1 Q. If you'd flip to Page 3, do you see an
2 agenda that was attached to this e-mail?
3 A. Yes, I do.
4 Q. And you see that one of the items on
5 the agenda, the second bullet point under
6 "Issues," talked about policy options?
7 A. Yes.
8 Q. Turn to Page 7 for me, please. Do you
9 see at the bottom of the Page 7 that HDA
10 indicates in this -- in the bottom block,
11 "Further Clarity in the Controlled Substances
12 Act. Support clarification of terminology in
13 the CSA, particularly the definition of
14 'imminent danger' as well as establishment of a
15 corrective action process."
16 Do you see that?
17 A. Yes, I do.
18 Q. And it says that HDMA actively
19 supports that federal legislation, correct?
20 A. Yes, it does.
21 Q. Is that consistent with your
22 understanding?
23 MS. CHARLES: Objection. Form.
24 A. Yes, it is.
25 BY MR. GADDY:

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1 Q. From McKesson's perspective relative
2 to its participation with the HDMA, was the
3 purpose of the adding the definition of imminent
4 danger and instituting the corrective action
5 plan, that those items would make it easier or
6 harder for DEA to investigate wholesale
7 distributors?
8 MS. CHARLES: Objection to form.
9 A. Neither.
10 BY MR. GADDY:
11 Q. From McKesson's perspective, based on
12 its participation within the HDMA, would adding
13 those two provisions to the Controlled Substance
14 Act make it easier or harder for the DEA to
15 issue immediate suspicion orders -- excuse me,
16 immediate suspension orders to wholesale
17 distributors?
18 MS. CHARLES: Objection to form.
19 A. I don't know that it would make it
20 easier or harder. It was adding specific
21 language into the bill where a definite -- where
22 a term was undefined.
23 BY MR. GADDY:
24 Q. Let's talk about the imminent danger
25 definition. Correct?

<p style="text-align: right;">Page 134</p> <p>1 A. Right.</p> <p>2 Q. The corrective action plan, that</p> <p>3 didn't exist before?</p> <p>4 A. Right. It was a different regulatory</p> <p>5 tool. It was written into the law for DEA.</p> <p>6 Q. Okay. And that tool -- tell me if you</p> <p>7 agree or disagree, that tool gave any wholesale</p> <p>8 distributor who was notified that they may have</p> <p>9 been out of compliance with the Controlled</p> <p>10 Substance Act, it allowed them 30 days to</p> <p>11 correct their behavior prior to any immediate</p> <p>12 suspension order being issued.</p> <p>13 MS. CHARLES: Objection to form.</p> <p>14 Beyond the scope.</p> <p>15 A. No, I would not agree with that</p> <p>16 characterization of it. It created a corrective</p> <p>17 action plan system where the wholesaler could</p> <p>18 submit to the DEA a corrective action plan that</p> <p>19 would be approved or not.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. After they were informed they were out</p> <p>22 of compliance, they then had an ability to</p> <p>23 correct their behavior prior to any immediate</p> <p>24 suspension order being issued, correct?</p> <p>25 MS. CHARLES: Objection to form.</p>	<p style="text-align: right;">Page 136</p> <p>1 scope.</p> <p>2 A. Yes.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. Okay. And that was for violations of</p> <p>5 the Controlled Substance Act, correct?</p> <p>6 MS. CHARLES: Objection. Beyond the</p> <p>7 scope, form.</p> <p>8 A. It was a settlement. I'm not sure --</p> <p>9 there was an admission of violations. I don't</p> <p>10 know the specifics of the settlement. But it</p> <p>11 was a settlement arising out of the Controlled</p> <p>12 Substances Act.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Are you not aware that McKesson</p> <p>15 admitted violations of the Controlled Substance</p> <p>16 Act pursuant to that agreement?</p> <p>17 A. I haven't looked at --</p> <p>18 MS. CHARLES: Objection. Form, beyond</p> <p>19 the scope.</p> <p>20 A. I haven't looked at the two</p> <p>21 settlements.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. As you sit here today, you don't know</p> <p>24 whether or not McKesson has ever admitted that</p> <p>25 they violated the Controlled Substances Act</p>
<p style="text-align: right;">Page 135</p> <p>1 Beyond the scope.</p> <p>2 A. No, that's not correct.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. Do you agree that the bill that HDMA</p> <p>5 was pushing or advocating for and that McKesson</p> <p>6 was advocating for was amending a law that had</p> <p>7 previously been used to penalize McKesson?</p> <p>8 MS. CHARLES: Objection. Form, beyond</p> <p>9 the scope.</p> <p>10 A. It was amending the Controlled</p> <p>11 Substances Act.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. And McKesson had previously been</p> <p>14 penalized on two separate occasions for</p> <p>15 violating the Controlled Substance Act, is that</p> <p>16 correct?</p> <p>17 MS. CHARLES: Objection. Form, beyond</p> <p>18 the scope.</p> <p>19 A. I'm not sure I know what "penalized."</p> <p>20 There were settlements related to the Controlled</p> <p>21 Substances Act, yes.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Well, McKesson paid a 13 and a half</p> <p>24 million dollar settlement in 2008, correct?</p> <p>25 MS. CHARLES: Objection. Beyond the</p>	<p style="text-align: right;">Page 137</p> <p>1 before?</p> <p>2 MS. CHARLES: Same objections.</p> <p>3 A. I would have to look at the settlement</p> <p>4 language. I'd have to review it, which is not</p> <p>5 something I did in preparation for this.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. And you're aware that they paid a</p> <p>8 \$150 million civil penalty in 2016?</p> <p>9 MS. CHARLES: Same objections.</p> <p>10 A. Yes.</p> <p>11 MS. CHARLES: It's been about another</p> <p>12 hour, so whenever you have a good time.</p> <p>13 MR. GADDY: Now is fine.</p> <p>14 THE VIDEOGRAPHER: Going off the</p> <p>15 record. The time is 11:10.</p> <p>16 (Whereupon, a recess was taken.)</p> <p>17 THE VIDEOGRAPHER: Going back on the</p> <p>18 record beginning of Media File Number 3. Time</p> <p>19 is 11:21.</p> <p>20 MR. GADDY: Are we on Number 16?</p> <p>21 MS. CHARLES: We did 16.</p> <p>22 MR. GADDY: Thank you.</p> <p>23 (Whereupon, McKesson-Ganley-017 was</p> <p>24 marked for identification.)</p> <p>25 BY MR. GADDY:</p>

<p style="text-align: right;">Page 138</p> <p>1 Q. Mr. Ganley, I'm going to show you 2 what's been marked as Number 17. 3 A. Thank you. 4 Q. Do you recognize that document? 5 A. I do. 6 Q. And is this a document that you 7 specifically looked at in preparation for this 8 deposition today? 9 A. It is. 10 Q. And if you start approximately in the 11 middle of the page, you see an e-mail from an 12 employee of HDMA? 13 A. Yes. 14 Q. And this is an e-mail that was 15 received by individuals from Cardinal Health, 16 AmerisourceBergen, and McKesson, including you, 17 correct? 18 A. Correct. 19 Q. Okay. And the subject of this e-mail 20 is "Feedback requested - new proposed language 21 on S. 483," correct? 22 A. That's correct. 23 Q. And as we already discussed, that is 24 the law that HDMA advocated for, that McKesson 25 advocated for, that dealt with the definition of</p>	<p style="text-align: right;">Page 140</p> <p>1 Q. Okay. If you read down a couple 2 paragraphs, do you see the paragraph that starts 3 "Based on"? 4 A. Yes. 5 Q. It says, "Based on our conversation on 6 what we intend to accomplish with this part of 7 the bill, they have suggested an alternative to 8 the definition of imminent danger in (B)(2). It 9 would read," and then it has a proposed 10 definition of imminent danger. 11 Do you see that? 12 A. Yes. 13 Q. And this potential language that was 14 going to be inserted into this bill was 15 circulated to McKesson, Cardinal Health, and 16 AmerisourceBergen, is that correct? 17 MS. CHARLES: Objection to form. 18 A. It was circulated by HDA, yes. 19 BY MR. GADDY: 20 Q. By HDA to its members, which includes 21 Cardinal Health, McKesson, and 22 AmerisourceBergen, correct? 23 A. Yes. 24 Q. Then on the next page, the very last 25 paragraph, do you see there that the</p>
<p style="text-align: right;">Page 139</p> <p>1 imminent danger and the institution of a 2 corrective action plan, correct? 3 MS. CHARLES: Objection to form. 4 A. That's correct. 5 BY MR. GADDY: 6 Q. Okay. And we see there's a line there 7 that says, "Please keep this confidential within 8 your company." 9 Do you see that in the top of the body 10 of the e-mail? 11 A. Top of the body of the e-mail. 12 Q. It's bolded and underlined. 13 A. Oh, yes. Sorry. 14 Q. Below that it says, "Staff from 15 Senators Hatch and Whitehouse spoke with DEA and 16 DOJ on the language changes that were suggested 17 by Endo and Purdue Pharma. I have attached the 18 suggested edit, as well as the introduced 19 language." 20 Do you see that? 21 A. Yes. 22 Q. So Purdue Pharma and Endo were, 23 according to this, suggesting language changes 24 to the bill in question, correct? 25 A. That's correct.</p>	<p style="text-align: right;">Page 141</p> <p>1 representative of HDMA writes, "Please let me 2 know as soon as possible if you have concerns 3 with this new proposed language. I will also be 4 working with our outside counsel to get his 5 feedback." 6 Do you see that? 7 A. Yes. 8 Q. So is HDMA within this e-mail asking 9 for feedback from McKesson, Cardinal Health, 10 AmerisourceBergen on the specific language 11 that's going to be inserted into this proposed 12 bill? 13 MS. CHARLES: Objection to form. 14 A. They're asking for feedback on this 15 language, yes. 16 BY MR. GADDY: 17 Q. Okay. 18 A. Whether it's going to be inserted into 19 the bill at this point remains unclear. This is 20 Endo and Purdue's language that they've sent to 21 Hatch, Hatch has sent to HDA. 22 Q. Well, this is not Endo and Purdue's 23 language. Do you understand that? 24 A. I'm sorry. 25 Q. This is language that's been suggested</p>

<p style="text-align: right;">Page 142</p> <p>1 by HDMA and that they're circulating to 2 McKesson, AmerisourceBergen, and Cardinal Health 3 to see if they want to comment on it. 4 Do you see that? 5 A. No. 6 MS. CHARLES: Objection to form. 7 BY MR. GADDY: 8 Q. Well, look at -- turn to Page 3. This 9 is the edits that were suggested by Endo and 10 Purdue. 11 Do you see that? 12 MR. WEINOGRADE: Objection. 13 MS. CHARLES: Objection to form. 14 A. I don't see that. 15 BY MR. GADDY: 16 Q. Well, let's go back to the first page 17 of the e-mail. First paragraph. "I have 18 attached the suggested edits, as well as the 19 introduced language...for your reference." 20 That's referring to the edits from Endo and 21 Purdue, correct? 22 A. It's difficult from this document to 23 figure out who wrote these suggested edits. 24 It's unclear to me who wrote the suggested 25 edits.</p>	<p style="text-align: right;">Page 144</p> <p>1 Q. Do you recognize this as being the law 2 that was ultimately passed? 3 A. Yes, I believe so. It says "Public 4 Law," so yes. 5 Q. If you turn to Page 2, do you see the 6 definition in the middle of the page, there's 7 a -- looks like it's (a)(2), (a)(2), (b)(2)? Do 8 you see the definition of imminent danger? 9 A. Yes. 10 Q. If you look at the last document that 11 you had where we saw the proposed language that 12 was given to McKesson, Cardinal Health, and 13 AmerisourceBergen, does it look like that 14 language made it into the bill? 15 A. No. 16 Q. Does it look like the language that 17 made it into the bill that became law is 18 substantially similar to what McKesson, 19 AmerisourceBergen, and Cardinal Health were 20 permitted to comment on? 21 MS. CHARLES: Objection to form. 22 Beyond the scope. 23 A. With respect to this definition? 24 BY MR. GADDY: 25 Q. Sure.</p>
<p style="text-align: right;">Page 143</p> <p>1 Q. Okay. Well -- 2 A. I know Endo and Purdue had changes 3 that they wanted to the bill at the last minute, 4 and that they communicated those changes to 5 Hatch's office. Hatch then went through the 6 process of checking with DEA and DOJ as to 7 whether those changes were acceptable. 8 Q. Can we agree that in the second 9 paragraph from the bottom there is a proposed 10 language to be inserted into the bill that HDMA 11 circulates to McKesson, AmerisourceBergen, and 12 Cardinal Health for them to review and comment 13 on? 14 A. Yes. 15 MS. CHARLES: Objection to form. 16 A. This is proposed language, yes. I 17 don't know whose language it is, is what I'm 18 getting at. I don't know who drafted it. 19 BY MR. GADDY: 20 Q. I show you what's been marked as 21 Exhibit 18. 22 (Whereupon, McKesson-Ganley-018 was 23 marked for identification.) 24 A. Thank you. 25 BY MR. GADDY:</p>	<p style="text-align: right;">Page 145</p> <p>1 A. No. It's meaningfully different, if 2 I'm looking at the right thing. 3 MS. CHARLES: It might help to clarify 4 which -- 5 A. You're talking about this section, 6 what is listed on Page 3 of Exhibit 12 -- 17 7 rather. 8 BY MR. GADDY: 9 Q. No, no, no. I'm sorry. I'm talking 10 about the language from the prior page. 11 A. Sorry. 12 Q. The language -- if you look at the 13 screen, the language that's labeled C. If you 14 look at the screen. 15 A. Sorry. 16 Q. The language labeled C. 17 A. Yes. 18 Q. Did that language makes its way into 19 the final bill as far as the definition of 20 imminent danger, this language that McKesson, 21 Cardinal Health, and AmerisourceBergen were 22 asked to comment on? 23 MS. CHARLES: Objection to form. 24 Beyond the scope. 25 A. It's similar, yes.</p>

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1 MS. CONWAY: Is the record going to
2 reflect what you mean by the language with a C
3 mark next to it?
4 MR. GADDY: I believe so. Yes, it's
5 being recorded.
6 MS. CHARLES: I think that we'll see
7 the video screen. I think the issue is that his
8 version doesn't have the C.
9 Could you just read the language
10 perhaps?
11 BY MR. GADDY:
12 Q. Sure. It's the section that we talked
13 ad nauseam about a few minutes ago. It says,
14 "In this subsection, the phrase 'imminent danger
15 to the public health or safety' means that, due
16 to the failure of the registrant to maintain
17 effective controls against diversion or
18 otherwise comply with the obligations of a
19 registrant under the subchapter, or subchapter 2
20 of this title, there is a substantial likelihood
21 of immediate threat that controlled substances
22 will be diverted for use other than legitimate
23 medical, scientific, or industrial purposes."
24 Are we on the same page, Mr. Ganley?
25 A. Yes.

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1 Q. And I believe your testimony was that
2 that language substantially made it into the
3 bill that was passed as law?
4 MS. CHARLES: Objection to form.
5 A. This language is the language that was
6 put forward by Hatch, and it's almost identical
7 to the language that's in the law.
8 BY MR. GADDY:
9 Q. It is the language that was circulated
10 to McKesson, Cardinal Health, and
11 AmerisourceBergen for them to comment on prior
12 to it becoming law, correct?
13 MS. CHARLES: Objection to form.
14 A. It was circulated by HDA.
15 BY MR. GADDY:
16 Q. Okay. When you said "Hatch," you're
17 referring to Senator Oren Hatch?
18 A. Yes.
19 Q. Now, we touched on this earlier, but
20 after this bill became law, there was criticism
21 of the law by way of media reports in the
22 Washington Post and on CBS 60 Minutes, correct?
23 MS. CHARLES: Objection. Beyond the
24 scope.
25 A. Yes. There were media reports, yes.

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1 BY MR. GADDY:
2 Q. I'm going to show you what I will mark
3 as 19.
4 (Whereupon, McKesson-Ganley-019 was
5 marked for identification.)
6 BY MR. GADDY:
7 Q. Do you recognize this as being one of
8 the, I think, two Washington Post articles that
9 were published on the topic of this law?
10 A. Yes, I do.
11 Q. And if you see in the headline there,
12 it says, "The Drug Industry's Triumph Over The
13 DEA."
14 Do you see that?
15 A. That's what it says.
16 Q. It says, "Amid a targeted lobbying
17 effort, Congress weakened the DEA's ability to
18 go after drug distributors, even as
19 opioid-related deaths continue to rise."
20 Do you see that?
21 A. I do.
22 Q. In the first paragraph of the article
23 it says, "In April 2016, at the height of the
24 deadliest drug epidemic in US history, Congress
25 effectively stripped the DEA of its most potent

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1 weapon against large drug companies suspected of
2 spilling prescription narcotics into the
3 nation's streets."
4 Do you see that?
5 A. I do see that.
6 Q. And is this consistent with some of
7 the criticism that was publicized in the
8 Washington Post and the CBS 60 Minutes episode?
9 MS. CHARLES: Objection to form.
10 Beyond the scope.
11 A. Yes, it's consistent with the
12 criticism.
13 BY MR. GADDY:
14 Q. If you turn to Page 2 and go to the
15 very bottom of the page, it says, "For years,
16 some drug distributors were find for repeatedly
17 ignoring warnings from the DEA to shut down
18 suspicious sales of hundreds of millions of
19 pills, while they racked up billions of dollars
20 in sales."
21 Do you see that?
22 A. Yes, I see it.
23 Q. In fact, McKesson was twice fined for
24 ignoring warnings from the DEA, is that correct?
25 MS. CHARLES: Objection to form.

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<p>1 Beyond the scope.</p> <p>2 A. I wouldn't agree with the</p> <p>3 characterization of ignoring warnings.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Do you agree that McKesson was twice</p> <p>6 fined for violating the Controlled Substance</p> <p>7 Act?</p> <p>8 MS. CHARLES: Same objections.</p> <p>9 A. Again, I'd have to look at the</p> <p>10 settlements, but they were -- we settled two</p> <p>11 issues with the DEA, yes.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. You say issues. Those issues were</p> <p>14 failing to report suspicious orders of opioids,</p> <p>15 correct?</p> <p>16 MS. CHARLES: Same objections.</p> <p>17 A. That was the allegation.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Well, it's the allegation that</p> <p>20 McKesson admitted.</p> <p>21 MS. CHARLES: Same objection.</p> <p>22 A. Again, I'd have to look at the</p> <p>23 settlement.</p> <p>24 BY MR. GADDY:</p> <p>25 Q. What did you say your title was?</p>	<p>1 A. HDA was lobbying in favor of this law,</p> <p>2 yes.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. Okay. After these media reports came</p> <p>5 out, HDMA continued to lobby in support of the</p> <p>6 bill, and actually defended the bill, correct?</p> <p>7 MS. CHARLES: Objection to form.</p> <p>8 Beyond the scope.</p> <p>9 A. It was a law, so they weren't lobbying</p> <p>10 on it because it was a law.</p> <p>11 HDA aggressively pushed back on these</p> <p>12 media reports, yes.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Okay. From a public policy</p> <p>15 perspective, I guess.</p> <p>16 A. Public relations perspective.</p> <p>17 Q. Thank you. That's more accurate.</p> <p>18 I'm going to show you what we'll mark</p> <p>19 as Exhibit 20.</p> <p>20 (Whereupon, McKesson-Ganley-020 was</p> <p>21 marked for identification.)</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Did you have the opportunity to review</p> <p>24 this document before?</p> <p>25 A. I don't believe so.</p>
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<p>1 A. Vice president of Federal Government</p> <p>2 Affairs.</p> <p>3 Q. As the vice president of Federal</p> <p>4 Government Affairs, you're sitting here in 2018,</p> <p>5 and you don't know that McKesson has on two</p> <p>6 separate occasions admitted to violating the</p> <p>7 Controlled Substance Act?</p> <p>8 MS. CHARLES: Objection to form.</p> <p>9 Beyond the scope.</p> <p>10 A. I don't know specifically what we've</p> <p>11 admitted. I haven't reviewed those settlements.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. It goes onto the next page to say,</p> <p>14 "The new law makes it virtually impossible for</p> <p>15 the DEA to freeze suspicious narcotic shipments</p> <p>16 from the companies, according to internal agency</p> <p>17 and Justice Department documents and an</p> <p>18 independent assessment."</p> <p>19 Do you see that?</p> <p>20 A. I see it.</p> <p>21 Q. Now, we looked earlier at some</p> <p>22 documents where HDMA was doing some, I guess</p> <p>23 what I would call offensive lobbying in favor of</p> <p>24 that particular law, correct?</p> <p>25 MS. CHARLES: Objection to form.</p>	<p>1 Q. Okay. Well, do you see that it's an</p> <p>2 e-mail from HDA in October of last year?</p> <p>3 A. Yes.</p> <p>4 Q. And you see it attaches a story from a</p> <p>5 law firm in DC?</p> <p>6 MS. CHARLES: Objection to form.</p> <p>7 A. I do.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. And if you turn to the second page, do</p> <p>10 you see another e-mail in this chain from HDA</p> <p>11 where they indicate they're providing a list</p> <p>12 that summarizes some of HDA's responses to the</p> <p>13 60 Minutes and Washington Post articles on</p> <p>14 opioid abuse?</p> <p>15 A. Yes, I do.</p> <p>16 MS. CHARLES: Objection to form.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. And if you look on Page 3, do you see</p> <p>19 those responses by HDMA somewhat summarized?</p> <p>20 MS. CHARLES: Objection to form.</p> <p>21 A. Somewhat. They're not really</p> <p>22 summarized. They're linked.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Sure. Fair.</p> <p>25 Based on your participation within</p>

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1 HDMA, is this your, McKesson's, understanding of
2 some of the steps that HDA took to, I think as
3 you said, aggressively respond to some of the
4 reporting that was out there by the Washington
5 Post and CBS?
6 MS. CHARLES: Objection to form.
7 A. Yes.
8 BY MR. GADDY:
9 Q. That response included letters to four
10 separate committees, two House committees and
11 two Senate committees?
12 MS. CHARLES: Objection to form.
13 A. Yes.
14 BY MR. GADDY:
15 Q. It included some media updates. John
16 Gray, the CEO, wrote a letter to the editor of
17 the Washington Post?
18 A. He did.
19 Q. He wrote a viewpoint piece in USA
20 Today?
21 A. He did. He was invited to.
22 Q. Okay. And there was also advertising
23 that was done by HDA, correct?
24 A. Yes.
25 Q. And the advertising included ads on

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1 the website Politico and website The Hill?
2 A. Yes.
3 Q. Would it be fair to say this is where
4 some of the four and a half million dollars that
5 McKesson paid to HDA was used by HDA?
6 MS. CHARLES: Objection to form.
7 Beyond the scope.
8 A. Could be. This was part of the public
9 affairs effort that I referenced earlier.
10 BY MR. GADDY:
11 Q. I believe, as you referenced earlier,
12 some of that four and a half million dollars
13 went directly to this public affairs effort to
14 respond to the publicity that had been generated
15 by the Washington Post and the CBS 60 Minutes
16 piece?
17 MS. CHARLES: Objection to form.
18 A. Yeah, there was a public affairs
19 effort aimed at correcting the inaccuracies of
20 the reporting that was not anticipated in the
21 HDA budget for that year, yes.
22 BY MR. GADDY:
23 Q. Is McKesson also a member of the an
24 organization referred to as PhRMA, P-H-R-M-A?
25 A. We are not.

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1 Q. Outside of the two we've already
2 discussed, HDA and NACDS, what other trade
3 associations does McKesson pay dues to?
4 A. I don't think I could give you an
5 exhaustive list for a couple of reasons. We're
6 members of a number of trade associations, and
7 we publish the larger ones on our website, but
8 I'd have to look at the list to give you all of
9 them.
10 But also, there are smaller trade
11 associations that we may belong to where an
12 individual general manager or somebody in the
13 business has the ability to join a trade
14 association without sort of seeking corporate
15 approval. So, for example, the guy who runs
16 Boston can, you know, pay \$1,000 to join the
17 Boston Chamber of Commerce if he wants to
18 without having to -- because of the dollar
19 figures, he doesn't necessarily have to sort of
20 clear that by anybody. There's some autonomy in
21 that area.
22 So there's probably hundreds of trade
23 associations, quote unquote, that we pay some
24 kind of dues to.
25 Q. Okay.

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1 A. I mean, I could give you the big ones.
2 Q. Sure.
3 Does McKesson pay dues for its
4 employees to be members of trade organizations?
5 MS. CHARLES: Objection. Beyond the
6 scope.
7 A. For its employees, no.
8 BY MR. GADDY:
9 Q. So --
10 A. If I understand the question
11 correctly. I mean, the corporate entity would
12 join a trade association, and then individual
13 employees would represent the company working
14 with that trade association.
15 Q. Okay. So you gave an example if
16 somebody wanted to be on the Chamber of Commerce
17 in the City of Boston and they had to pay \$1,000
18 dollars, that individual would have to pay that
19 out of his pocket -- his or her pocket?
20 A. No, no. What I'm saying is if the
21 Chamber of Commerce approached the McKesson
22 business leader for the Boston area and said, we
23 would like McKesson to become a member of the
24 Boston Chamber of Commerce, that business leader
25 would probably not need to get approval to do

<p style="text-align: right;">Page 158</p> <p>1 that because the dollar figures were such --</p> <p>2 there's different rules within the business as</p> <p>3 to what kind of expense needs to be approved.</p> <p>4 If he has budget for joining trade associations</p> <p>5 and it's \$1,000 for McKesson to be a member, you</p> <p>6 know, he could probably do that without having</p> <p>7 to seek any additional corporate approval for</p> <p>8 that.</p> <p>9 So that's why I'm saying it's hard to</p> <p>10 say. When you said, tell me a list of all the</p> <p>11 trade associations, I don't know.</p> <p>12 Q. Okay. My question is who is writing</p> <p>13 that check, the individual employee or McKesson?</p> <p>14 A. In the hypothetical I gave you, it</p> <p>15 would be McKesson joining the trade association.</p> <p>16 Q. Let me show you Number 21.</p> <p>17 (Whereupon, McKesson-Ganley-021 was</p> <p>18 marked for identification.)</p> <p>19 BY MR. GADDY:</p> <p>20 Q. These are the interrogatory responses</p> <p>21 that McKesson submitted to us.</p> <p>22 If you'll turn to Page 13 at the</p> <p>23 bottom.</p> <p>24 A. Going off the page number at the</p> <p>25 bottom?</p>	<p style="text-align: right;">Page 160</p> <p>1 A. Sorry, can you ask me that again?</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Sure.</p> <p>4 So, for example, you serve on the</p> <p>5 Federal Government Affairs Committee within</p> <p>6 HDMA. Do you get any bonus or incentive for</p> <p>7 participating in that committee?</p> <p>8 MS. CHARLES: Same objection.</p> <p>9 A. No. It would be nice, though.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. If you flip to Page 14, there are a</p> <p>12 list of industry or trade organizations where</p> <p>13 they indicate McKesson has made total payments</p> <p>14 exceeding \$50,000.</p> <p>15 Do you see that?</p> <p>16 A. I do.</p> <p>17 Q. Are you able to tell me the amounts</p> <p>18 paid by McKesson, outside of the ones we've</p> <p>19 already talked about, the HDMA, that McKesson</p> <p>20 has made to any of these different entities?</p> <p>21 A. Some, yes; others, no.</p> <p>22 Q. Okay. American College of Health Care</p> <p>23 Administrators?</p> <p>24 A. I don't know.</p> <p>25 Q. The Business Roundtable?</p>
<p style="text-align: right;">Page 159</p> <p>1 Q. Yes.</p> <p>2 A. Okay.</p> <p>3 Q. And do you see in the very bottom</p> <p>4 paragraph it indicates that "McKesson has</p> <p>5 identified certain industry organizations in</p> <p>6 which McKesson employees have been involved,"</p> <p>7 and it lists some there.</p> <p>8 Do you see that?</p> <p>9 A. Yes.</p> <p>10 Q. Are you familiar with some of those?</p> <p>11 (Witness reviewing document.)</p> <p>12 A. Yes, there's both trade associations</p> <p>13 here, and then also standards bodies.</p> <p>14 Q. Okay. And is it your understanding</p> <p>15 that there are individual employees who are</p> <p>16 members of these associations, or that it is</p> <p>17 McKesson as a corporate entity that's a member?</p> <p>18 A. It's my understanding that McKesson as</p> <p>19 a corporate entity is involved in these.</p> <p>20 Q. Does McKesson offer any bonuses or</p> <p>21 incentives for its employees to be members of</p> <p>22 any trade associations or committees within</p> <p>23 trade associations?</p> <p>24 MS. CHARLES: Objection. Beyond the</p> <p>25 scope.</p>	<p style="text-align: right;">Page 161</p> <p>1 A. I don't know.</p> <p>2 Q. Health Forum?</p> <p>3 A. I don't know.</p> <p>4 Q. HealthIT Now?</p> <p>5 A. That one I do know. It's \$50,000.</p> <p>6 Q. And that's paid on an annual basis?</p> <p>7 A. Yes.</p> <p>8 Q. The Health Industry Distributors</p> <p>9 Association?</p> <p>10 A. That is -- the dues -- I don't know</p> <p>11 the dollar figure, but the dues to that are tied</p> <p>12 to the revenue of our medical-surgical business.</p> <p>13 Q. Okay. Is it more than \$100,000?</p> <p>14 A. Probably.</p> <p>15 Q. More than a million dollars?</p> <p>16 A. I don't know.</p> <p>17 Q. The Healthcare Leadership Council?</p> <p>18 A. I believe that's a quarter of a</p> <p>19 million.</p> <p>20 Q. You already told us the HDA.</p> <p>21 International Federation of</p> <p>22 Pharmaceutical Distributors?</p> <p>23 A. I don't know.</p> <p>24 Q. KLAS Enterprises?</p> <p>25 A. I don't know.</p>

<p style="text-align: right;">Page 162</p> <p>1 Q. National Electric Manufacturers 2 Association? 3 A. I don't know. 4 Q. Pacific Business Group on Health? 5 A. I don't know. 6 Q. Senior Care Pharmacy Coalition? 7 A. I don't know. 8 Q. State Privacy and Security Coalition? 9 A. I don't know. 10 Q. Going up to the bullet point list just 11 above that, there's the HDA Traceability 12 Implementation Workgroup. 13 Do you see that? 14 A. Yes. 15 Q. Who within McKesson serves on that? 16 A. Scott Mooney, among maybe others, but 17 he is our lead. 18 Q. Okay. On HDA Federal Government 19 Affairs, other than you, who else serves on 20 that? 21 A. Claire Brandewie now. 22 And again, "serves on," I'm not trying 23 to be too nuanced, but "serves on" implies some 24 formality. 25 Q. What should I say?</p>	<p style="text-align: right;">Page 164</p> <p>1 A. She is not. 2 Q. Okay. Of the people that you just 3 mentioned that serve on -- or sorry, that 4 participate in the State Government Affairs 5 Committee, which of those people that you named 6 would have duties that encompassed the state of 7 Ohio? 8 A. It would have been Angela Grover 9 before she left the company, and now Matt 10 Ottiger. O-T-T-I-G-E-R. 11 Q. Who from McKesson participates in the 12 Regulatory Affairs Committee? 13 A. There are a number of people that 14 participate in those meetings. Many of the 15 folks I just mentioned. There's a significant 16 overlap with the Federal Government Affairs 17 Committee, the State Government Affairs 18 Committee. There's probably some folks from our 19 Regulatory Affairs team that always participate 20 in those calls. There may be a lawyer or two 21 who dials in on any given call, depending on the 22 topic, or somebody from a business -- somebody 23 from the US PhRMA business, depending on the 24 topic. 25 Q. Any names that you haven't already</p>
<p style="text-align: right;">Page 163</p> <p>1 A. Participates in their meetings is the 2 way I would describe it. 3 Q. Okay. 4 A. Because if you want the complete list. 5 Q. Yes, sorry. 6 So if you don't mind, for Federal 7 Government Affairs, tell me who participates in 8 those and what their position is in McKesson. 9 A. So myself. Occasionally Pete Sloan, 10 who is the senior vice president of Corporate 11 Public Affairs. Claire Brandewie, who is a 12 senior manager of Federal Government Affairs and 13 brand new to the company. 14 Q. Okay. What about State Government 15 Affairs? 16 A. It would be the members of our State 17 Government Affairs team. So it would be -- you 18 want their names? 19 Q. Yes, please. 20 A. Chris Vaughan. It would be Tracy 21 Russell, Matt Ottiger, and Allison Rose. 22 Q. And there was an individual that you 23 told me her name earlier, Angelica? 24 A. Angela Grover. 25 Q. Okay. Is she with McKesson anymore?</p>	<p style="text-align: right;">Page 165</p> <p>1 mentioned that would also serve in Regulatory 2 Affairs, or participate in the Regulatory 3 Affairs Committee? 4 MS. CHARLES: Objection to form. 5 A. Lita Brenna, Nate Hartle, Gary Boggs 6 might participate in those calls, again 7 depending on the topic. It could be anybody in 8 the law department, depending on the topic. 9 BY MR. GADDY: 10 Q. Who from McKesson participates in 11 Industry Relations Committee? 12 A. Scott Mooney is our lead there. 13 Q. Has McKesson ever been a member of the 14 American Pain Foundation? 15 A. I don't believe so. 16 Q. What about the American Academy of 17 Pain Medicine? 18 A. I don't believe so. 19 Q. What about the Pain Care Forum? 20 A. I'm not sure. 21 Q. Who would be the best person to ask 22 about these? 23 A. The Pain Care Forum, I assume, 24 probably. 25 Q. You assume that's who we should ask</p>

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1 about it is what you're saying, is that right?

2 A. I mean, we could look it up. I'm just

3 not aware of whether we're a member of the Pain

4 Care Forum or not.

5 Q. What about the American Pain Society?

6 A. I don't believe so.

7 Q. Is there any department or division

8 within McKesson that's responsible for being --

9 for McKesson being a part of any association or

10 trade organization?

11 MS. CHARLES: Objection. Beyond the

12 form -- beyond the scope.

13 A. Generally, no. They're autonomous

14 decisions that can be made by individual

15 business units or departments.

16 BY MR. GADDY:

17 Q. I'm going to show you --

18 A. We don't have a -- there's not an

19 association department or something like that

20 that would centralize all that.

21 Q. I show you what's been marked as

22 Ganley 22.

23 (Whereupon, McKesson-Ganley-022 was

24 marked for identification.)

25 BY MR. GADDY:

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1 Q. Do you recognize this document?

2 A. I don't.

3 Q. Okay. Do you see it's an e-mail from

4 HDA?

5 A. Yes.

6 Q. And if you turn to the second page, do

7 you see that there is a map of the country

8 talking about "2018 State Representation"?

9 Do you see that?

10 A. Yes.

11 Q. Are you familiar with this?

12 A. I'm not.

13 Q. Okay.

14 A. I'm trying to figure out what it

15 depicts.

16 Q. Okay. What is your -- I'm asking you,

17 do you have an understanding of what this means

18 or what this is representing?

19 A. I think it's trying to show where

20 different companies have lobbyists.

21 Q. Okay. What does it indicate for the

22 state of Ohio?

23 A. It's a little hard to tell. I can't

24 tell from the colors.

25 Do you have a color version of it?

Page 168

1 Q. I don't.

2 A. It shows that there are four lobbyists

3 there.

4 Q. Okay. Well, from your understanding,

5 does McKesson have a lobbyist in Ohio?

6 MS. CHARLES: Objection to form.

7 Beyond the scope.

8 A. I believe we do.

9 BY MR. GADDY:

10 Q. And who would that be?

11 A. I don't know the answer to that.

12 Q. Does, from your understanding, does

13 HDA have a lobbyist in Ohio?

14 MS. CHARLES: Objection. Beyond the

15 scope.

16 A. I don't know. If I'm -- depending on

17 the colors, this seems to indicate they do.

18 BY MR. GADDY:

19 Q. From your understanding, does Cardinal

20 Health have a lobbyist in Ohio?

21 MS. CHARLES: Objection. Beyond the

22 scope.

23 A. Again, I can't tell from the colors on

24 this, but it looks as if they may.

25 BY MR. GADDY:

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1 Q. And from your understanding, does

2 AmerisourceBergen have a lobbyist in Ohio?

3 MS. CHARLES: Same objection.

4 MS. MCCLURE: Form.

5 A. I can't tell. I don't have any

6 knowledge one way or the other.

7 MR. GADDY: Okay. Take a quick break.

8 I might be done.

9 MS. CHARLES: Sure.

10 THE VIDEOGRAPHER: Going off record.

11 The time is 11:50.

12 (Whereupon, a recess was taken.)

13 THE VIDEOGRAPHER: Go back on the

14 record beginning of Media File 4. Time is

15 11:58.

16 MR. GADDY: I'll tender the witness.

17 MS. CHARLES: No questions.

18 MS. MCCLURE: Before you go off the

19 record, just a request. In light of the fact

20 there were highly confidential documents used

21 during this deposition, including deposition

22 exhibits from AmerisourceBergen at least,

23 pursuant to the protective order the parties

24 have a certain number of days to designate

25 portions of the transcript as confidential that

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1 reference those are highly confidential
 2 exhibits. So we're just reiterating our request
 3 that in the meantime, of course, the entire
 4 transcripts needs to be treated as highly
 5 confidential pursuant to the protective order.
 6 Any disagreement regarding that?
 7 MR. GADDY: No.
 8 MS. CHARLES: We'll reserve read and
 9 sign.
 10 Can you read the full amount that we
 11 were on the record?
 12 THE VIDEOGRAPHER: Total time on the
 13 record is two hours and 24 minutes.
 14 MS. CHARLES: Thank you.
 15 THE VIDEOGRAPHER: This concludes
 16 today's deposition. We are going off the
 17 record. The time is 11:59.
 18 (Whereupon, the deposition was
 19 concluded.)
 20
 21
 22
 23
 24
 25

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1 COMMONWEALTH OF MASSACHUSETTS)
 2 SUFFOLK, SS.)
 3 I, MAUREEN O'CONNOR POLLARD, RMR, CLR,
 4 and Notary Public in and for the Commonwealth of
 5 Massachusetts, do certify that on the 27th day
 6 of July, 2018, at 9:04 o'clock, the person
 7 above-named was duly sworn to testify to the
 8 truth of their knowledge, and examined, and such
 9 examination reduced to typewriting under my
 10 direction, and is a true record of the testimony
 11 given by the witness. I further certify that I
 12 am neither attorney, related or employed by any
 13 of the parties to this action, and that I am not
 14 a relative or employee of any attorney employed
 15 by the parties hereto, or financially interested
 16 in the action.
 17 In witness whereof, I have hereunto
 18 set my hand this 31st day of July, 2018.
 19
 20 _____
 21 MAUREEN O'CONNOR POLLARD, NOTARY PUBLIC
 22 Realtime Systems Administrator
 23 CSR #149108
 24
 25

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INSTRUCTIONS TO WITNESS

1
 2
 3 Please read your deposition over
 4 carefully and make any necessary corrections.
 5 You should state the reason in the appropriate
 6 space on the errata sheet for any corrections
 7 that are made.
 8 After doing so, please sign the
 9 errata sheet and date it. It will be attached
 10 to your deposition.
 11 It is imperative that you return
 12 the original errata sheet to the deposing
 13 attorney within thirty (30) days of receipt of
 14 the deposition transcript by you. If you fail
 15 to do so, the deposition transcript may be
 16 deemed to be accurate and may be used in court.
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ACKNOWLEDGMENT OF DEPONENT

I, _____, do
Hereby certify that I have read the foregoing
pages, and that the same is a correct
transcription of the answers given by me to the
questions therein propounded, except for the
corrections or changes in form or substance, if
any, noted in the attached Errata Sheet.

JOSEPH GANLEY DATE

Subscribed and sworn
To before me this
_____ day of _____, 20____.
My commission expires: _____

Notary Public

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LAWYER'S NOTES

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